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FAIRCHILD'S ELECTRONICS INDUSTRY FINANCIAL DIRECTORY 1991/1992

30th Annual Edition

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Editor's Note: In order to present a clearer picture of a company's involvement in the Electronics field, we have, in some cases, included only those divisions and subsidiaries related to Electronics.

Robert Benjamin
Chief Research Editor

Arlene Bienenfeld
Associate Editor

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The Leaders

U.S. COMPANIES

COMPANY	1991 ELECTRONIC SALES IN LATEST AVAILABLE FOUR QUARTERS	PERCENT OF GROSS	1990 ELECTRONIC SALES IN LATEST AVAILABLE FOUR QUARTERS	PERCENT OF GROSS
1. IBM	$53,293,000,000	80.0	$52,358,000,000	80.0
2. GENERAL MOTORS	17,921,000,000	14.8	16,912,000,000	13.6
3. GENERAL ELECTRIC	14,458,000,000	24.3	18,546,000,000	33.0
4. HEWLETT-PACKARD	14,198,000,000	100.0	13,030,000,000	100.0
5. DIGITAL EQUIPMENT	13,911,000,000	100.0	12,943,000,000	100.0
6. XEROX	12,680,000,000	70.0	12,522,000,000	70.0
7. AT&T	12,603,000,000	33.0	11,195,000,000	31.0
8. MOTOROLA	11,194,000,000	100.0	10,010,000,000	100.0
9. UNISYS	9,596,000,000	100.0	10,063,000,000	100.0
10. GTE	9,520,000,000	44.4	3,107,000,000	17.3
11. TEXAS INSTRUMENTS	6,569,000,000	97.0	6,289,000,000	97.0
12. APPLE COMPUTER	6,158,000,000	100.0	5,588,000,000	100.0
13. NCR	5,832,000,000	92.0	5,564,000,000	92.0
14. RAYTHEON	5,603,000,000	60.2	5,426,000,000	60.2
15. ROCKWELL INTERNATIONAL	4,747,000,000	39.3	4,888,000,000	39.3
16. HONEYWELL	4,668,000,000	75.0	4,638,000,000	75.0
17. TANDY	4,562,000,000	100.0	4,400,000,000	100.0
18. INTEL	4,444,000,000	100.0	3,517,000,000	100.0
19. LOCKHEED	4,281,000,000	43.0	4,173,000,000	43.0
20. WESTINGHOUSE ELECTRIC	4,234,000,000	33.0	4,229,000,000	33.0
21. COMPAQ COMPUTER	3,600,000,000	100.0	3,805,000,000	100.0
22. MCDONNELL DOUGLAS	3,481,000,000	19.7	2,996,000,000	10.8
23. TRW	3,307,000,000	43.0	3,266,000,000	43.0
24. SUN MICROSYSTEMS	3,220,000,000	100.0	2,466,000,000	100.0
25. HARRIS	3,000,000,000	100.0	3,100,000,000	100.0
26. MARTIN MARIETTA	2,827,000,000	47.0	2,914,000,000	48.0
27. ITT	2,803,000,000	13.6	2,743,000,000	13.6
28. LITTON INDUSTRIES	2,780,000,000	-53.0	2,979,000,000	59.0
29. SEAGATE TECHNOLOGY	2,670,000,000	100.0	2,423,000,000	100.0
30. LORAL	2,486,000,000	100.0	1,359,000,000	100.0
31. AMP	2,453,000,000	80.0	2,237,000,000	80.0
32. WANG LABORATORIES	2,091,000,000	100.0	2,497,000,000	100.0
33. DUPONT	2,065,000,000	5.1	1,856,000,000	5.1
34. AMDAHL	2,027,000,000	100.0	2,186,000,000	100.0
35. TANDEM COMPUTERS	1,872,000,000	100.0	1,948,000,000	100.0
36. CONTROL DATA	1,656,000,000	100.0	2,113,000,000	100.0
37. AVNET	1,561,000,000	89.0	1,559,000,000	89.0
38. UNITED TELECOMMUNICATIONS	1,504,000,000	17.4	1,228,000,000	17.4
39. E-SYSTEMS	1,500,000,000	80.0	1,437,000,000	88.0
40. PRIME COMPUTER	1,490,000,000	100.0	1,509,000,000	100.0
41. EATON	1,470,000,000	43.0	1,438,000,000	43.0
42. VARIAN ASSOCIATES	1,360,000,000	100.0	1,383,000,000	100.0
43. TEKTRONIX	1,331,000,000	100.0	1,408,000,000	100.0
44. ZENITH ELECTRONICS	1,300,000,000	100.0	1,510,000,000	100.0
45. DATA GENERAL	1,242,000,000	100.0	1,265,000,000	100.0
46. STORAGE TECHNOLOGY	1,165,000,000	100.0	1,069,000,000	100.0
47. TELEDYNE	1,102,000,000	45.0	1,566,000,000	45.0
48. ADVANCED MICRO DEVICES	1,091,000,000	100.0	1,099,000,000	100.0
49. NATIONAL SEMICONDUCTOR	1,072,000,000	100.0	1,675,000,000	100.0
50. ALLIANT TECHSYSTEMS	1,049,000,000	85.0	N.A.	N.A.

N.A. Not Available

FOREIGN COMPANIES

1. MATSUSHITA ELECTRIC	$43,056,000,000	92.0	$34,784,000,000	92.0
2. NEC	26,200,000,000	100.0	21,799,000,000	100.0
3. HITACHI	23,595,000,000	43.0	19,263,000,000	43.0
4. FUJITSU	21,070,000,000	100.0	16,138,000,000	100.0
5. SONY	20,400,000,000	100.0	15,721,000,000	100.0
6. PHILIPS	20,000,000,000	75.0	20,600,000,000	75.0
7. TOSHIBA	18,998,000,000	63.0	17,087,000,000	63.0
8. SIEMENS	17,551,000,000	50.0	17,470,000,000	50.0
9. ALCATEL ALSTHOM	16,461,000,000	61.0	16,438,000,000	61.0
10. ALCATEL	16,171,000,000	100.0	13,900,000,000	95.0
11. NORTHERN TELECOM	14,000,000,000	100.0	5,508,000,000	100.0
12. MITSUBISHI	13,891,000,000	30.0	5,651,100,000	30.0
13. GENERAL ELECTRIC CO. PLC	11,490,000,000	68.4	10,570,000,000	68.4
14. SHARP	9,537,000,000	100.0	6,734,000,000	100.0
15. GROUPE BULL	6,349,000,000	100.0	6,400,000,000	100.0
16. OLIVETTI	7,531,000,000	86.0	5,881,000,000	86.0
17. ERICSSON	7,142,000,000	89.2	5,667,000,000	89.2
18. THOMSON-CSF	6,112,000,000	100.0	5,300,000,600	100.0
19. NTT	5,984,000,000	13.5	5,146,000,000	13.5
20. RACAL ELECTRONICS	3,083,000,000	85.0	2,768,000,000	85.0
21. KYOCERA	2,570,000,000	78.0	2,498,000,000	78.0
22. MEMOREX TELEX	1,870,000,000	100.0	1,983,000,000	100.0
23. OKI ELECTRIC	1,540,000,000	31.0	1,212,000,000	31.0

Stock *Market* *Performance*

KEY

A —Earnings per-share for the 12 months through June 30.

B —P/E ratio for the 12 months through June 30.

D —Deficit.

N A — Not available.

COMPANY	STOCK 6/30/91	PRICES 6/30/90	STOCK EARNINGS SHARE 1991	PRICE PER (A) 1990	P/E RATIOS 1991	(B) 1990	EPS PROJ. 1991	ACTUAL 1990	SALES LAST FOUR QUARTERS 1991	(BILLIONS) YEAR END 1991/90
ADVANCED MICRO DEVICES	12	9-1/2	$d0.89	$0.48	24	16	$0.50	$d0.78	1.091	1.059
ALLIANT TECH SYSTEMS	26-1/2	NA	NA	NA	NA	NA	NA	2.55	1.234	1.234
AMDAHL	14-5/8	16-1/4	1.13	1.24	18	11	0.80	1.66	2.027	2.159
AMP	49-1/4	47-1/8	2.58	2.66	18	17	2.75	2.70	3.066	3.044
APPLE COMPUTER	41-1/2	44-3/4	2.72	3.99	11	11	2.72	3.77	6.158	5.558
AT&T	38-1/4	38-1/2	2.69	2.57	14	15	2.75	2.51	38.036	37.285
AVNET	27-3/4	28-3/4	1.55	1.90	15	15	1.80	1.57	1.741	1.741
COMPAQ	31-1/8	62-1/4	4.38	7.94	12	13	2.45	5.14	3.600	3.600
CONTROL DATA	10-5/8	19-1/8	d0.03	d15.03	11	15	0.85	0.05	1.656	1.691
DATA GENERAL	14-7/8	11-1/2	0.86	d4.65	15	d	1.00	d4.65	1.242	1.216
DIGITAL EQUIPMENT	59-1/2	85	3.17	5.16	19	22	3.17	0.59	13.911	13.911
DU PONT	45-7/8	38-1/2	3.17	3.40	15	11	3.00	3.40	40.497	40.047
EATON	60-5/8	62-7/8	2.62	5.65	40	12	1.50	5.05	3.413	3.639
E-SYSTEMS	40-3/8	25-1/4	3.18	2.75	12	8	3.40	2.74	1.863	1.810
GENERAL ELECTRIC	74	69-1/4	5.01	4.48	14	14	5.20	4.85	59.500	58.400
GENERAL MOTORS EDS	46-3/4	34-1/2	2.19	1.86	20	17	2.35	2.08	6.498	6.108
GENERAL MOTORS HUGHES	16-3/4	21.58	1.41	1.89	10	11	1.35	1.82	11.423	11.723
GTE	29-5/8	32-3/8	1.68	2.12	17	14	1.80	1.92	21.441	21.393
HARRIS	25-7/8	34-3/8	0.70	0.97	43	11	0.60	3.30	3.000	3.000
HEWLETT-PACKARD	50-3/4	47-1/4	3.32	3.33	14	13	3.75	3.06	14.198	13.233
HONEYWELL	60-5/8	49-1/4	4.70	7.67	13	12	4.70	5.03	6.224	6.309
IBM	97-1/8	117-1/2	7.38	6.67	23	12	3.45	10.51	66.615	69.018
INTEL	46-1/2	47	3.68	2.28	12	17	4.00	3.20	4.444	555.8
ITT	56-1/4	57-1/2	5.83	7.00	8	9	6.85	7.28	20.610	20.600
LITTON INDUSTRIES	77	71-1/2	7.44	7.21	10	10	2.75	7.26	5.260	5.156
LOCKHEED	43-5/8	33-1/2	4.89	0.08	9	7	4.80	5.30	0.056	9.958
LORAL	40-5/8	28-1/4	3.67	3.11	10	9	4.25	3.55	2.486	2.127
MARTIN MARIETTA	55-7/8	42-7/8	6.76	6.02	8	7	7.10	6.52	6.016	6.125
MCDONNELL DOUGLAS	50-3/8	36-1/2	9.96	1.34	17	18	7.00	7.99	17.669	16.246
MOTOROLA	66-1/2	83-5/8	3.38	3.86	18	19	3.80	3.80	11.194	10.885
NATIONAL SEMICONDUCTOR	5-5/8	7-3/8	d1.56	d0.34	d	d	d1.56	d0.34	1.702	1.702
NCR	107	64-1/8	5.26	5.34	19	11	5.75	5.43	6.340	6.285
PRIME	NA	NA	NA	NA	NA	NA	NA	NA	1.490	1.589
RAYTHEON	80	62-3/8	8.65	8.18	9	7	9.10	8.53	9.307	9.268
ROCKWELL	27-7/8	27-3/8	2.47	2.49	11	11	2.55	2.56	12.079	12.379
SEAGATE	7-1/2	14-1/8	0.95	1.94	7	7	0.95	1.92	2.670	2.670
STORAGE TECHNOLOGY	39-1/2	34	2.37	2.22	17	20	2.67	2.22	1.166	1.141
SUN MICROSYSTEMS	27-7/8	34	1.72	0.46	16	29	1.80	1.21	3.220	3.220
TANDEM	13-7/8	23-7/8	0.60	1.22	9	17	0.42	1.13	1.872	1.866
TANDY	26-3/4	35-1/2	3.10	3.49	9	10	3.15	3.54	4.562	4.562
TEKTRONIX	26-1/8	15-1/2	1.66	d1.01	16	d	1.66	d3.19	1.331	1.331
TELEDYNE	19	23-3/4	0.66	4.45	12	9	1.30	1.71	3.356	3.446
TEXAS INSTRUMENTS	33-1/4	39-5/8	d3.75	2.19	d	32	d2.00	d0.92	6.772	6.567
TRW	42-1/8	46-1/2	2.40	4.11	14	13	2.60	3.39	7.690	8.169
UNISYS	3-3/4	13-1/4	d12.20	d4.24	d	d	NA	d3.45	9.596	10.111
UNITED TELECOMMUNICATIONS	29-1/2	39-5/8	1.53	1.87	16	16	1.80	1.43	7.645	8.345
VARIAN ASSOCIATES	41-3/8	28-1/8	3.01	1.30	14	d	3.00	d0.21	1.360	1.264
WANG LABORATORIES	33-1/4	4-1/4	d2.31	d3.59	d	d	d2.31	d4.35	2.091	2.091
WESTINGHOUSE ELECTRIC	27-7/8	36-3/4	0.09	3.21	12	15	2.25	0.91	12.829	12.915
XEROX	54	46-7/8	5.55	2.16	11	7	5.00	1.66	18.056	17.973
ZENITH ELECTRONICS	7-1/8	8-3/8	d3.15	d2.97	d	NA	d0.50	d2.36	1.300	1.410
FOREIGN										
ERICSSON	31-1/8	44-5/8	2.64	8.89	12	25	2.64	2.64	8.007	8.007
HITACHI	78-3/4	95-1/8	4.70	3.90	17	25	4.70	4.70	54.872	54.872
KYOCERA	91-1/2	114-3/4	2.44	2.33	38	49	2.44	2.44	3.280	3.280
MATSUSHITA	120	138-1/2	8.31	6.81	14	20	8.31	8.31	46.800	46.800
NEC	50-3/8	64-1/2	1.54	1.31	33	49	1.54	1.54	26.200	26.200
NORTHERN TELECOM	36-1/2	27-5/8	1.91	1.57	19	16	1.95	1.80	6.769	6.800
PHILIPS	15	17-3/4	d9.58	2.70	d	7	d8.08	d8.83	26.700	26.700
SONY	45-1/8	58-3/4	2.03	1.95	22	30	2.03	2.03	25.649	25.649

Alcatel, Alcatel Alsthom, Groupe Bull, Fujitsu, General Electric Co. plc, Memorex Telex, Mitsubishi, NTT, Oki, Olivetti, Racal, Sharp, Siemens, Thomson-CSF, and Toshiba are either privately held or not traded on U.S. exchanges.

FAIRCHILD'S ELECTRONICS INDUSTRY FINANCIAL DIRECTORY

1991/1992

AAR Corp.

1111 Nicholas Boulevard
Elk Grove Village, Illinois 60007
(312) 439-3939
FAX (312) 439-3955

Officers: Ira A Eichner, chairman of the board & chief executive officer; David P Storch, president & chief operating officer; Richard D Tabery, vice chairman; Sam G Ayoub, v.p.-technical services marketing; Robert A Cameron, v.p.-operations and finance & treasurer; Jan van den Berg, v.p.-European operations; Joseph J Dzurinko, v.p & controller; A Lee Hall, v.p.-strategic planning; Larry G Caspersen, group v.p.-manufacturing group; Ann T Baldwin, v.p.-corporate communications; Robert A Gustafson, v.p.-Aviation Services Group; Douglas S Hara, v.p.; Francis M Heraty, v.p.-administration; Howard A Pulsifer, v.p., general counsel & secretary

Directors: Ira A Eichner*, chairman; Robert C Stuart, Ben C Brostoff*, Robert A Cameron, Herbert K Cummings, Lee B Stern, Edgar D Jannotta, Richard D Tabery, Robert D Judson, Erwin E Schulze*, David P Storch, Edward Donnell*, Jan van den Berg, A Robert Abboud

* Member of the Executive Committee

Areas of Work: Engaged in the overhaul and certification of communications and navigation equipment (avionics), engines, engine parts, and airframe parts; design, manufacture and marketing of proprietary instrumentation, associated distribution of parts and accessories for general aviation, and flight instruction, and line and shop maintenance of engines, propellers, airframes, avionics and accessories. Also, lease financing of aircraft, aircraft engines, and other aviation products

Subsidiaries:

AAR Aircraft Turbine Center, Inc
Elk Grove Village, Illinois
(708) 439-3939

Energy Services Division
Garden City, New York
(516) 222-6400

AAR Technical Service Center Corp
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AAR Oklahoma, Inc
Will Rogers World Airport
6611 South Meridian - Box 59100
Oklahoma City, Oklahoma 73159
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(213) 970-0886

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AAR Allen Aircraft Corp
2100 Touhy Avenue
Elk Grove Village, Illinois 60007
(708) 437-9300

Allen Aircraft International, Inc
Cardinal Point, Newell Road
Heathrow Airport
Hounslow, Middlesex, England
44-1-759-4022

AAR Allen Airmotive, Inc
705 Kruisweg
Hoofddorp, The Netherlands
31-2503-17341

Avia Radio A/S
Hangar 141
Copenhagen Airport
2791 Dragoer, Denmark
4531-530800

Mars Aircraft Service Company of New Jersey
Hangar 3
Teterboro Airport
Teterboro, New Jersey 07508
(201) 288-0222

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Deelkmeerstroat 5/7
2131 ND Hoofddorp, The Netherlands
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AAR Brooks & Perkins/Skydyne
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West Camp, Seletar Airport
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One West Frankfort Industrial Park Drive
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AAR Financial Services Corp
1111 Nicholas Boulevard
Elk Grove Village, Illinois 60007
(708) 439-3939

AAR Agio, A.G
Baarer Strasse 6
Zug, Switzerland
41-42-221163

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

First Chicago Trust of New York
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AIR

Number of Employees:

1990	2,430	1987	1,810
1989	2,540	1986	1,780
1988	1,990		

Sales & Earnings

	Net Sales	Net Income
1990	$ 444,875,000	$ 25,655,000
1989	406,360,000	24,814,000
1988	349,662,000	21,233,000
1987	305,872,000	15,361,000
1986	254,573,000	11,506,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	16,053,000	$ 1.60
1989	15,942,000	1.56
1988	15,833,000	1.34
1987	15,327,000	1.00
1986	13,613,000	0.85

‡ Based on the average number of shares outstanding adjusted to reflect stock split

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.47	—	—
1989	0.42	—	—
1988	0.35	—	3-for-2
1987	0.31	—	—
1986	0.27	—	—

† Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 189,548,000	$ 11.81
1989	171,580,000	10.76
1988	150,497,000	9.51
1987	134,310,000	8.76
1986	95,381,000	7.01

‡ Based on the average number of shares outstanding adjusted to reflect stock split

Income Account*

Year ended	1990	1989
Net sales	$ 444,875,000	$ 406,360,000
Cost of sales	344,112,000	309,492,000
Expenses	53,912,000	52,253,000
Oper. income	$ 46,851,000	$ 44,615,000
Interest income	(1,293,000)	(208,000)
Interest expense	9,989,000	7,809,000
Income before taxes	$ 38,155,000	$ 37,014,000
Income taxes —	12,500,000	12,200,000
Net Income	$ 25,655,000	$ 24,814,000

* Included in Costs and Expenses, Depreciation and Amortization $9,811,000 in 1990 and $6,767,000 in 1989

Assets

As of May 31	1990	1989
Cash & cash equiv	$ 4,044,000	$ 4,565,000
Accts. receiv., net	93,581,000	95,218,000
*Inventories	146,142,000	110,677,000
Equip. on short-term lease	16,007,000	29,636,000
Prepaid expenses	15,802,000	16,952,000
Current Assets	$ 275,576,000	$ 257,048,000
≠Fixed assets	55,640,000	50,770,000
Other assets	57,305,000	48,573,000
Total Assets	$ 388,521,000	$ 356,391,000

Liabilities

Comm. paper & bank loans	$ 33,821,000	$ 70,271,000
Accts. payable	35,861,000	36,051,000
Accruals	17,922,000	18,828,000
Income taxes	3,040,000	2,954,000
Curr. Liabilities	$ 90,644,000	$ 128,104,000
Long-term debt	72,329,000	25,707,000
Deferred inc. taxes	36,000,000	31,000,000
+Common stock	16,082,000	16,009,000
Add. paid-in capital	80,019,000	78,935,000
Retained earnings	95,429,000	77,321,000
Invest. valuation allow.	(928,000)	—
Cum. trans. adj.	(1,054,000)	(685,000)
Total Liabilities & Shareholders' Equity	$ 388,521,000	$ 356,391,000

* At lower of cost (specific identification method or FIFO) or market.
‡ Less accumulated depreciation
+ $1 par value

Statistical Summary

%Income before Taxes to Sales	8.59	9.11
%Net Income to Sales	5.77	6.11
%Net Income to Equity	13.53	14.46
Sales to Inventories	3.04	3.67
Debt to Equity	0.56	0.56
Working Capital	$ 184,932,000	$ 128,944,000
Current Ratio	3.04	2.01
Shareholders' Equity	$ 189,548,000	$ 171,580,000

ABB Asea Brown Boveri Ltd

P.O.B. 8131
CH-8050 Zurich
Switzerland
41-1-317 71 11
FAX: 41-1-311 98 17

U.S. Headquarters
900 Long Ridge Road
P.O. Box 9308
Stamford, Connecticut 06904

NOTE: ABB Asea Brown Boveri Ltd is owned in equal parts by ASEA AB, Stockholm (Sweden), and BBC Brown Boveri Ltd, Baden (Switzerland). ABB Asea Brown Boveri Ltd, Zurich (Switzerland), is the holding company of the ABB Asea Brown Boveri Group.

Officers: Percy Barnevik, president & chief exec. officer; Thomas Gasser, deputy chief exec. officer; Arne Bennborn, exec. v.p.; Erwin Bielinski, exec. v.p.; Sune Carlsson, exec. v.p.; Eberhard von Koerber, exec. v.p.; Goran Lindahl, exec. v.p.; Goran Lundberg, exec. v.p.; Bertold Romacker, exec. v.p.; Gerhard Schulmeyer, exec. v.p.; Edwin Somm, exec. v.p.; Bert-Olof Svanholm, exec. v.p.; Lars Thunell, exec. v.p.

Directors: Percy Barnevik, Thomas Gasser, Fritz Leutwiler, Curt Nicolin, Bernd Muller-Berghoff, Stephan Schmidheiny, Gaston Thorn, Peter Wallenberg, Heinrich Weiss.

Areas of Work: The ABB Asea Brown Boveri Group is an electrotechnical company with global operations. The Company develops, produces, sells, and services systems and products in a wide range of areas generally related to the production, distribution, and application of electricity. Almost half of ABB's business is in three segments:

Power generation plants for primary energy -- coal, gas, oil, water, nuclear.

High-voltage transmission for electricity with products such as switchgear, transformers, relays, and cables.

Medium- and low-voltage distribution including installation activities.

Other areas of activity are public transportation such as high-speed trains, locomotives, and urban mass transit systems. Electrical drives, process automation, oil and gas, and metallurgy are grouped together in a separate segment. The main focus in environmental control in on improved indoor and outdoor air quality. ABB is also active in robotics, instrumentation, power lines, general contracting, superchargers, certain specialties within telecommunications, advanced plastics, and in local business operations in installation material, wholesale, and service.

The financial services segment provides services in the areas of financing, leasing, treasury operations, insurance, trading, and portfolio management for companies within the ABB Group and for third parties.

Major Group Companies:

NORTH AMERICA

Asea Brown Boveri Inc.
Purchase, New York

Asea Brown Boveri Inc.
Montreal, Canada

WESTERN EUROPE - EUROPEAN COMMUNITY

Asea Brown Boveri S.A.
Brussels, Belgium

Asea Brown Boveri A/S
Odense, Denmark

Asea Brown Boveri S.A.
Lyon, France

Asea Brown Boveri Aktiengesellschaft
Mannheim, Germany

Asea Brown Boveri S.A.
Athens, Greece

Asea Brown Boveri Limited
Dublin, Ireland

Asea Brown Boveri S.p.A.
SAE Sadelmi S.p.A.
Milan, Italy

Asea Brown Boveri B.V.
Rotterdam, Netherlands

Asea Brown Boveri Electrica, Lda
Lisbon, Portugal

ABB Energia S.A.
Madrid, Spain

Asea Brown Boveri Ltd
London, England

ABB Kent (Holdings) plc
Luton, England

WESTERN EUROPE - EFTA

Asea Brown Boveri Aktiengesellschaft
Vienna, Austria

ABB Stromberg OY
Helsinki, Finland

Elektrisk Bureau A/S
Asker, Norway

Asea Brown Boveri AB
Vasteras, Sweden

Flakt AB
Stockholm, Sweden

ABB Asea Brown Boveri Ltd
Zurich, Switzerland

Asea Brown Boveri AG
Baden, Switzerland

Elettrofin - Societa Anonima Finanziaria Holding
Lugano, Switzerland

Acquisitions:

Combustion Engineering
Principal activities are in power generation, power services, environmental and process control, and engineering.

Global Engineering
Active in engineering and consulting for the oil and gas market.

Emerson Electric's U.S. Industr. Serv. Div.

Somi
Milan, Italy
An erecting company.

The Ericcson Group's Signalling and Safety Systems Oper.

NOTE: While the shares of ABB Asea Brown Boveri Ltd are not publicly traded, the shares of the two parent companies -- ASEA AB and BBC Brown Boveri Ltd -- are listed on various stock exchanges.

Number of Employees

1989	189,493	1988	169,459

Sales & Earnings

	Revenues	Net Income
1989	$20,560,000,000	$ 589,000,000
1988	17,832,000,000	386,000,000

Revenues by Line of Business
(000's)

	1989	1988
Power plants	$ 2,795,000	$ 2,510,000
Power transmission	4,775,000	3,619,000
Power distribution	2,516,000	2,480,000
Industry	2,019,000	2,047,000
Transportation	957,000	747,000
Environmental control	2,843,000	2,511,000
Financial services	1,446,000	1,046,000
Various activities	5,594,000	5,375,000
Intergroup eliminations	(2,385,000)	(2,503,000)
Total	$ 20,560,000	$ 17,832,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 3,907,000,000	$ —
1988	3,122,000,000	—

Income Account
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 20,560,000	$ 17,832,000
Material expenses	9,545,000	8,251,000
Personnel expenses	6,068,000	5,625,000
Other expenses	3,407,000	2,749,000
Changes in work in progress	(266,000)	(161,000)
Depreciation	549,000	514,000
Inc. from assoc. cos.	(21,000)	—
Dividend income	(8,000)	(13,000)
Interest income	(641,000)	(504,000)
Interest on advances	300,000	270,000
Interest expense	731,000	565,000
Exchange differences	(26,000)	(24,000)
Nonrecurring items	11,000	24,000
Income bef. taxes	$ 911,000	$ 536,000
Income taxes	283,000	127,000
Minority interest	39,000	23,000
Net Income	$ 589,000	$ 386,000

Assets
(000's)

As of Dec. 31	1989	1988
Cash & market. securities	$ 4,332,000	$ 3,496,000
Accts. receiv., net	4,397,000	4,120,000
Other curr. receiv.	1,710,000	1,377,000
Unpaid share capital	200,000	—
*Inventories	5,774,000	5,375,000
Current Assets	$ 16,413,000	$ 14,368,000

Fin. receivables	1,076,000	540,000
Shares & participations	2,183,000	394,000
#Fixed assets	3,924,000	3,434,000
Construc. in progress	123,000	76,000
Intangibles	437,000	153,000
Total Assets	$ 24,156,000	$ 18,965,000

Liabilities
((000's)

Short-term loans	$ 4,346,000	$ 1,379,000
Accts. payable	2,622,000	2,527,000
Provisions	3,334,000	2,860,000
Other current liabilities	2,907,000	2,427,000
Current Liabilities	$ 13,209,000	$ 9,193,000
Long-term debt	1,746,000	1,541,000
Minority interest	468,000	386,000
Adv. from customers	3,379,000	3,394,000
Deferred inc. taxes	212,000	289,000
Pension liabilities	1,235,000	1,040,000
Share capital	1,750,000	1,250,000
Restricted reserves	808,000	730,000
Retained earnings	760,000	756,000
Net income	589,000	386,000
Total Liabilities & Shareholders' Equity	$ 24,156,000	$ 18,965,000

* Purchased goods at lower of cost (FIFO) or replacement value, manufactured goods at lower of manufacturing cost or net realizable value.

Less accumulated depreciation.

Statistical Summary

% Income bef. Taxes to Sales	4.43	3.01
% Net Income to Sales	2.86	2.16
% Net Income to Equity	15.08	12.36
Debt to Equity	1.56	0.94
Working Capital	$ 3,204,000,000	$ 5,175,000,000
Current Ratio	1.24	1.56
Shareholders Equity	$ 3,907,000,000	$ 3,122,000,000

Acme-Cleveland Corporation

30195 Chagrin Boulevard
Cleveland, Ohio 44124
(216) 292-2100
FAX (216) 292-2101

Officers: David L. Swift, president & chief executive officer; Francis R. Appeldorn, v.p.-finance; Donna M. Flammang, v.p. & secretary; Earl J. Bellisario, v.p. & controller; Joseph C. McCarty, deputy treasurer; Diane O. McDaniel, v.p.-human resources.

Directors: Theodore M. Alfred, W. Paul Cooper, Stephen M. DuBrul, Jr., John J. Dwyer, Gerald C. McDonough, Donald R. Melville, David L. Swift, Robert M. Taylor, Karl E. Ware, Paul J. Powers.

Areas of Work: The Company's principal products are machine tools, cutting and threading tools, telecommunications products, electrical and electronic controls and sensors, quality-control equipment and systems, and related replacement parts and services.

Divisions and Subsidiaries:

National Acme Division
Cleveland & Fremont, Ohio
Turnings machines and systems, replacement parts, supplies and service for standard machine tools.

Namco Controls Division
Limit switches, solenoids, electronic proximity switches and sensors, flow controls, infrared sensors, and electronic programmable switches and encoders for industrial machinery and process control applications.
Mentor, Ohio
Newton, North Carolina
New Milford, Connecticut
Herzhorn, West Germany

Communications Technology Corporation
Telecommunications equipment, including electronic equipment such as test sets for testing spliced cable pairs, special services control units, voltage detection equipment and cable restoration equipment.
Los Angeles, California
Atlanta, Georgia
Rexdale (Toronto), Ontario, Canada

The Cleveland Twist Drill Company
Metal cutting, metal removing, and threading tools, such as high-speed drills, reamers, end mills, taps, and rolling heads.
Cleveland, Ohio
Asheboro, North Carolina
Cranston, Rhode Island
Cynthiana, Kentucky
Mansfield, Massachusetts

M & M Precision Systems Division
Computerized quality control and measurement systems, master gears, spline gauges and thread gauges used in the production of precision gears, rotary tables and slides for numerically controlled machines.
West Carrollton & Cincinnati, Ohio
Tamworth, England
Loffingen, West Germany

Transfer Agents(s):

AmeriTrust Company, N.A.
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: AMT

Number of Employees:

1990	2,469	1987	2,415
1989	2,583	1986	2,426
1988	2,513		

Plant Footage:

1990	N.A.	1987	2,262,900
1989	2,169,693 sq. ft.	1986	2,231,500
1988	2,180,493		

N.A.-Not Available

Sales & Earnings

	Net Sales #	Net Income †
1990	199,493,000	$ 5,113,000
1989	191,034,000	7,004,000
1988	176,090,000	(29,491,000)
1987	176,528,000	11,317,000
1986	186,050,000	(12,530,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	6,291,017	$ 0.77
1989	6,282,532	1.07
1988	6,279,767	—
1987	6,278,923	1.74
1986	6,278,897	—

(Loss)

Of continuing operations only.

† Including extraordinary gains of $2,050,000 ($0.33 per share) in 1990, $1,850,000 ($0.29 per share) in 1989 and $6,543,000 ($1.03 per share) in 1987.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1990	1989
Metalworking products	$ 136,866,000	$ 128,298,000
Telecommunications & elec. products	62,627,000	62,736,000
Total	$ 199,493,000	$ 191,034,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.40	—	—
1989	0.40	—	—
1988	0.40	—	—
1987	0.40	—	—
1986	0.40	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1990	$ 63,527,000	$ 10.19
1989	64,850,000	10.40
1988	60,731,000	9.76
1987	94,944,000	15.21
1986	85,374,000	13.69

† After allowing for preferred stock at redemption value.

Income Account

Year ended Sept. 30	1990	1989
Net sales	$ 199,493,000	$ 191,034,000
Other income	2,651,000	2,915,000
Interest income	1,437,000	1,758,000
Total income	$ 203,581,000	$ 195,707,000
Cost of sales	139,058,000	133,179,000
Expenses	45,365,000	44,762,000
Depreciation & amortization	7,214,000	7,084,000
Interest expense	1,067,000	890,000
Other expenses	600,000	918,000
Prov. for asset write-downs	3,384,000	—
Income before taxes	$ 6,893,000	$ 8,874,000
Income taxes	3,830,000	3,720,000
Net Income	$ 3,063,000	$ 5,154,000
Extraord. gain	2,050,000	1,850,000
Net Income & extraord. gain	$ 5,113,000	$ 7,004,000

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 6,681,000	$ 12,201,000
Marketable secur.	—	387,000
Accts. receiv., net	25,440,000	24,507,000
Recov. income taxes	523,000	68,000
*Inventories	36,928,000	38,399,000
Prepaid expenses	1,385,000	2,540,000
Current Assets	$ 70,957,000	$ 78,102,000
#Fixed assets	43,735,000	45,715,000
Sinking fund	7,005,000	—
Goodwill in subsid.	2,529,000	2,851,000
Minority eq. investments	1,998,000	6,890,000
Other assets	3,036,000	2,635,000
Total Assets	$ 129,260,000	$ 136,193,000

Liabilities

Payable to banks	$ 1,939,000	$ 1,481,000
Long-term oblig., curr.	2,784,000	2,719,000
Accts. payable	7,595,000	11,358,000
Accrued payroll	13,351,000	13,404,000
Other accruals	7,901,000	11,419,000
Other accrued taxes	2,153,000	2,139,000
Income taxes	1,763,000	2,209,000
Liab. of discont. oper.	1,363,000	1,968,000
Curr. Liabilities	$ 38,849,000	$ 46,697,000

Long-term oblig	6,259,000	9,110,000
Deferred inc taxes	433,000	378,000
Unfunded pension costs.	15,996,000	10,962,000
+Preferred stock	3,631,000	3,631,000
++Common stock	6,291,000	6,291,000
Add paid-in capital	53,651,000	53,651,000
Pension adjustment	(5,327,000)	—
For curr trans adjust	1,549,000	(59,000)
Retained earnings	7,838,000	5,532,000
Total Liabilities Shareholders' Equity	$ 129,260,000	$ 136,193,000

• At cost (primarily LIFO), not in excess of replacement market

Less accumulated depreciation and amortization

+ No par value, $1.80 cumulative convertible.

++ $1 par value

Statistical Summary

%Income bef Taxes to Sales	3.46	4.65
%Net Income to Sales	1.54	2.70
%Net Income to Equity	4.52	7.46
Sales to Inventories	5.40	4.97
Debt to Equity	0.16	0.19
Working Capital	$ 32,108,000	$ 31,405,000
Current Ratio	1.83	1.67
Shareholders Equity	$ 67,723,000	$ 69,046,000

Acme Electric Corporation

20 Water Street
Cuba, New York 14727
(716) 968-2400
FAX (716) 968-3948

Officers: James W. McLaughlin, chairman of the board & chief exec. officer; G. Wayne Hawk, president & chief oper. officer; Richard D. Goodwin, v.p. & gen. mgr.-Transformer Division; Daniel K. Corwin, v.p. & gen. mgr.-Electronics Div.; R. Hartley Bond, v.p. & director-quality management; David G. Anderson, secretary, treasurer, controller & general counsel; Lowell K. Brown, president-Acme URDC, Inc.; Robert W. McGinnis, manager-advanced energy systems.

Directors: R. Hartley Bond, W. Bennett Conner, G. Wayne Hawk•, James W. McLaughlin•, H. Craig Casey, Jr., Mitchel J. Valicenti, Robert T. Brady•, Dudley D. Johnson.

• Member of the Executive Committee

Areas of Work: Designs, manufactures and markets power conversion equipment for electronic and electrical systems. Principal markets encompass the computer, test equipment, information systems and telecommunications and a variety of industrial commercial and residential applications requiring conversion of electrical energy from one usable state to another.

Divisions and Subsidiaries:

Electronics Division
Manufactures transformers, linear and switch-mode power supplies and standby power supplies and power conditioners.

Transformer Division
Manufactures dry-type distribution transformers.

ACME URDC Inc.
West Jordan, Utah
Manufactures custom and standard electronic power systems for the aerospace industry.

SAFE Power Systems, Inc.
Tempe, Arizona
Manufactures power protection systems for the computer, office and telecommunications industries.

Transfer Agent(s):

American Stock Transfer & Trust Company
40 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: ACE

Number of Employees:

1990	986	1988	1,000
1989	1,055		

Plant Footage:

1990	523,243 sq. ft.	1988	517,843
1989	523,243		

Sales & Earnings

	Net Sales	Net Income
1990	$ 90,589,000	$ 3,690,000
1989	90,962,000	3,925,000
1988	82,333,000	759,000
1987	67,471,000	663,000
1986	69,578,000	1,883,000

	No. of Com. Shares #	Earn. per Share #
1990	4,702,393	$ 0.78
1989	4,600,483	0.85
1988	4,524,296	0.17
1987	4,465,398	0.15
1986	4,430,707	0.43

Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.32	—	—
1989	0.32	—	—
1988	0.32	5%	—
1987	0.30	5%	—
1986	0.29	5%	—

‡ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 27,807,000	$ 5.92
1989	25,150,000	5.43
1988	22,119,000	4.87
1987	22,297,000	4.99
1986	22,680,000	5.12

Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1990	1989
Net sales	$ 90,589,000	$ 90,962,000
Cost of sales	60,496,000	61,365,000
Expenses		
Res. & engr	6,425,000	5,929,000
Sell & admin	15,986,000	16,660,000
Interest expense	1,800,000	1,542,000
Income before taxes	$ 5,882,000	$ 5,466,000
Income taxes	2,192,000	1,954,000
Cum. effect of acct. change	—	(443,000)
Net Income	$ 3,690,000	$ 3,925,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,097,000 in 1990 and $2,163,000 in 1989.

Assets

As of June	1990	1989
Cash	$ 109,000	$ 286,000
Accts. receiv., net	18,392,000	16,088,000
• Inventories	22,400,000	20,371,000
Other curr. assets	2,569,000	1,434,000
Current Assets	$ 43,470,000	$ 38,179,000
Intangibles	2,678,000	2,225,000
# Fixed assets	14,272,000	12,808,000
Total Assets	$ 60,420,000	$ 53,212,000

Liabilities

Long-term debt, curr	$ 567,000	$ 1,779,000
Accts. payable	5,047,000	5,393,000
Commisssions payable	507,000	480,000
Accrued comp. & other	2,988,000	2,985,000
Curr. Liabilities	$ 9,109,000	$ 10,637,000
Long-term debt	22,027,000	16,368,000
Other liabilities	683,000	—
Deferred inc. taxes	794,000	1,057,000
+ Common stock	4,728,000	4,648,000
Add. paid-in capital	17,552,000	17,049,000
Retained earnings	5,783,000	3,584,000
Treasury stock	(256,000)	(131,000)
Total Liabilities & Shareholders' Equity	$ 60,420,000	$ 53,212,000

• At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ $1 par value.

Statistical Summary

%Income bef Taxes to Sales	6.49	6.01
%Net Income to Sales	4.07	4.31
%Net Income to Equity	13.27	15.61
Sales to Inventories	4.04	4.47
Debt to Equity	0.81	0.72
Working Capital	$ 34,361,000	$ 27,542,000
Current Ratio	4.77	3.59
Shareholders' Equity	$ 27,807,000	$ 25,150,000

ADAC Laboratories

540 Alder Drive
Milpitas, California 95035
(408) 945-2990
FAX (408) 945-1516

Officers: Michael O. Preletz, chairman of the board & chief executive officer; Stanley D. Czerwinski, exec. v.p.; I.R. Reuling, v.p., chief financial officer & secretary.

Directors: Michael O. Preletz, chairman; Robert L. Miller, Robert L. Deinhammer, Morton A. Cohen, Edmund H. Shea, Jr.

Areas of Work: The Corporation designs and manufactures digital radiography image processing systems which utilize digital images as opposed to the conventional film used in radiology. The system processor is a computer-controlled image processing system with real-time image manipulation hardware, digital data storage via magnetic disc drives, an analog video disc recorder and interface electronics for connection to X-Ray fluoroscopy systems. ADAC is also involved in the design and manufacture of nuclear medicine image processing systems which accept images from the scintillation cameras used in nuclear medicine, convert them to digital form and store them for further analysis.

Other products include radiation therapy planning systems which develop precise radiation dosemetry plans for individual cancer patients using display terminals, X-Ray products, and research and development.

Divisions and Subsidiaries:

Digital Radiography Computer Systems Division
Nuclear Medicine Division
Radiation Therapy Division
Field Service Division

International Division
X-Ray Systems Division
Radiology Management Systems Division
Advanced Marketing and Technology Division

Mid-Continent Computer Services, Inc
Manufactures radiology information systems

Transfer Agent(s):

Manufacturers Hanover Trust Co
50 California Street
San Francisco, California 94111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADAC (NASDAQ)

Sales & Earnings

	Revenues	Net Income
1990	$ 75,740,000	$ 3,342,000
1989	98,137,000	17,118,000
1988*	80,195,000	11,415,000
1987	60,825,000	4,309,000
1986	46,581,000	(22,036,000)

	No. of Com Shares #	Earn per Share #
1990	44,057,000	$ 0.08
1989	44,369,000	0.39
1988*	42,784,000	0.27
1987	39,476,000	0.11
1986	12,469,000	—

(Loss)
* 53 weeks
# Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.08	—	—
1989	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 36,479,000	$ 0.83
1989	35,448,000	0.80
1988	19,245,000 +	0.45
1987	(7,783,000) +	—
1986	(17,200,000) +	—

(Deficiency)
+ After allowing for preferred stock at stated value
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *
(000's)

Year ended	9/30/90	10/1/89
Revenues		
Product sales	$ 51,851	$ 76,561
Field service	23,889	21,576
Total revenues	$ 75,740	$ 98,137
Cost of revenues	42,939	49,691
Expenses	29,808	30,513
Interest expense	72	331
Other income	(536)	(455)
Income before taxes	$ 3,457	$ 18,057
Income taxes	115	939
Net Income	$ 3,342	$ 17,118

* Included in Costs and Expenses, Depreciation and Amortization $2,143,000 in 1990 and $1,855,000 in 1989

Assets
(000's)

As of	9/30/90	10/1/89
Cash & cash equiv	$ 8,958	$ 6,932
Restricted cash & cash equiv	1,640	695
Accts. receiv., net	17,796	29,264
*Inventories	19,044	14,978
Prepaid expenses	805	404
Current Assets	$ 48,243	$ 52,273
#Fixed assets	5,613	3,816
Other assets	5,104	4,285
Total Assets	$ 58,960	$ 60,374

Liabilities
(000's)

	9/30/90	10/1/89
Long-term debt, curr	$ 145	$ 271
Accts. payable	5,481	7,536
Deferred revenues	7,036	3,836
Other accrued liab	9,219	12,207
Curr. Liabilities	$ 21,881	$ 23,850
Long-term debt	—	186
Deferred rents	600	890
+Common stock	83,575	82,628
Retained earn. (deficit)	(47,237)	(47,180)
Translation adjust	141	—
Total Liabilities & Shareholders' Equity	$ 58,960	$ 60,374

* At lower of standard cost or market
# Less accumulated depreciation and amortization
+ No par value

Statistical Summary

	9/30/90	10/1/89
% Income bef. Taxes to Revenues	4.56	18.40
% Net Income to Revenues	4.41	17.44
% Net Income to Equity	9.16	48.29
Debt to Equity	—	0.01
Working Capital	$ 26,362,000	$ 28,423,000
Current Ratio	2.20	2.19
Shareholders' Equity	$ 36,479,000	$ 35,448,000

Adams-Russell, Inc.

(The company is 97%-owned by M/A-COM, Inc., as of July 17, 1989)

1380 Main Street
Waltham, Massachusetts 02154
(617) 894-8540
FAX: (617) 893-0069

Areas of Work: Manufactures a broad range of components, subassemblies and systems primarily for five segments of the defense electronics market: electronic warfare; intelligence collection; command, control and communications; missile electronics, and radar.

Aerospace products include airborne antennas for radar, missiles, countermeasures, IFF and other special purpose applications, satellite antennas, multifunction radar and missile seeker antennas, high performance cables for electronic warfare and for test and instrumentation, avionics and submarine chassis and housings, heat-exchangers and custom brazed assemblies, rotary joints, antenna feed assemblies and other wave-guide components.

Components Group products include RF and microwave components, diodes and subassemblies, and gallium arsenide monolithic microwave integrated circuit (MMIC) components and subsystems.

Surveillance products include portable receivers, UHF/VHF and microwave receivers, precision measurement and calibration equipment, signal distribution and switching equipment, signal processing computers, programmable demodulators, signals location systems, and space-borne components and subassemblies.

Video Information Systems products include automated advertising insertion equipment for the cable television industry.

Divisions and Subsidiaries:

Anzac Division
80 Cambridge Street
Burlington, Massachusetts 02154
(617) 273-3333

448 Griffin Road
Bangor, Maine 04401
(207) 942-7391

Antenna and Microwave Division
Haverhill Road
Amesbury, Massachusetts 01913
(617) 388-5210

Brazonics Division
Haverhill Road
Amesbury, Massachusetts 01913
(617) 388-2280

M/A-COM Government Products, Inc
10713 Gilroy Road
Hunt Valley, Maryland 21030
(301) 667-0077

MDM, Inc
9000 Fullbright Ave.
Chatsworth, California 91311
(818) 700-8400

Communications Programs Division
1370 Main St.
Waltham, Massachusetts 02154
(617) 891-4700

RHG Electronics Laboratory, Inc.
161 East Industry Center
Deer Park, New York 11719
(516) 242-1100

Adams-Russell BV
Cork, Ireland

ADC Telecommunications, Inc.

5501 Green Valley Drive
Bloomington, Minnesota 55437
(612) 835-6800
FAX: (612) 893-8393

Officers: Charles M. Denny, Jr., chairman of the board & chief exec. officer; William J. Cadogan, president, chief operating officer; Lynn J. Davis, sr. v.p.-operations; William C. Hamer, v.p. & chief technical officer; Dan L. Kinney, pres.-Kentrox Industries, Inc.; Peter W. Hemp, v.p.-manufacturing; Ronald G. Martin, v.p.-corp. engineering & quality assurance; Mark W. Lonergan, v.p.-sales & customer service; Donald H. Moersch, v.p.-human resources; LeRoy J. Morgan, v.p.-finance & chief financial officer; Jack P. Reilly, v.p. & gen. mgr.-Telecom Systems Division; George W. Wood, v.p. & gen. mgr.-Telecom Products Division; Kathie J. Mikucki, general counsel & secretary; Aimee L. Gallogly, treasurer; Joan K. Berg, v.p. & controller.

Directors: Charles M. Denny, Jr., chairman; Frank A. Donaldson, Maynard B. Hasselquist, Marcelo A. Gumucio, Thomas E. Holloran, B. Kristine Johnson, Charles W. Oswald, Donald M. Sullivan, Warde F. Wheaton.

Areas of Work: Designs, manufactures and markets a wide variety of copper and fiber optic cable management devices, transmission products and network service assurance systems used by telephone companies, broadcast networks and large private telecommunications networks.

Subsidiaries:

ADC Telecom Canada Inc
2147 de la Province
Longueuil, Quebec J4G 1Y6, Canada

ADC Europe Limited
126/128 Crockhamwell Road
Woodley, Berkshire RG5 3JY, United Kingdom

ADC Telecommunicaciones Venezuela, S.A.
Edifico EXA, Oficina 824
Avenida Libertador con Av. Venezuela
El Rosal Caracas 160, Venezuela

American Lightwave Systems, Inc.
358 Hall Avenue
Wallingford, Connecticut

Kentrox Industries, Inc.
14375 NW Science Park Drive
Portland, Oregon

Acquisition:

TELINQ Systems Incorporated
Richardson, Texas

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
South St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADCT (NASDAQ)

Number of Employees:

1990	2,111	1987	1,796
1989	1,896	1986	1,729
1988	1,680		

Plant Footage:

1990	333,603 sq. ft.	1987	230,000
1989	251,000	1986	183,900
1988	230,000		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 259,802,000	$ 22,903,000
1989	196,388,000	16,403,000
1988	179,852,000	16,953,000
1987	166,863,000	15,263,000
1986	143,677,000	11,968,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	13,265,000	$ 1.73
1989	13,167,000	1.25
1988	13,047,000	1.30
1987	12,944,000	1.18
1986	12,907,000	0.93

+ Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1990 (000's)	%	1989 (000's)	%
Termination & access				
Copper	$ 169,736	65.3%	$ 139,463	71.0%
Fiber	18,149	7.0	6,900	3.5
Transmission				
Copper	54,381	20.9	41,084	20.9
Fiber	10,022	3.9	3,503	1.8
Test & network management	7,514	2.9	5,438	2.8
Total	$ 259,802	100.0%	$ 196,388	100.0%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 134,013,000	$ 10.10
1989	110,470,000	8.39
1988	93,645,000	7.18
1987	75,882,000	5.86
1986	60,318,000	4.67

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Oct. 31	1990	1989
Net sales	$ 259,802	$ 196,388
Cost of sales	133,802	107,764
Expenses		
Selling	45,297	34,742
Develop. & prod. eng.	25,462	17,360
Gen. & admin.	17,496	13,838
Interest income	(1,255)	(2,831)
Other expense (income)	828	(730)
Income before taxes	$ 38,172	$ 26,245
Income taxes	15,269	9,842
Net Income	$ 22,903	$ 16,403

* Included in Costs and Expenses, Depreciation and Amortization: $14,306,000 in 1990 and $10,691,000 in 1989.

Assets
(000's)

As of Oct. 31	1990	1989
Cash & cash equiv.	$ 25,978	$ 17,576
Accts. receiv., net	37,338	29,918
* Inventories	33,845	24,723
Prepaid expenses	5,364	3,697
Current Assets	$ 102,525	$ 75,914
# Fixed assets	45,384	42,545
Other assets	33,756	25,372
Total Assets	$ 181,665	$ 143,831

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 1,257	$ 444
Accts. payable	10,140	6,996
Accrued payroll	18,624	12,925
Accrued inc. taxes	1,302	—
Other accruals	6,012	3,499
Curr. Liabilities	$ 37,335	$ 23,864
Long-term debt	4,841	4,691
Deferred inc. taxes	5,476	4,806
+ Common stock	2,658	2,644
Add. paid-in capital	20,093	19,617
Retained earnings	111,718	88,815
Deferred compensation	(456)	(606)
Total Liabilities & Shareholders' Equity	$ 181,665	$ 143,831

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	14.69	13.36
% Net Income to Sales	8.82	8.35
% Net Income to Equity	17.09	14.85
Sales to Inventories	7.68	7.94
Debt to Equity	0.05	0.05
Working Capital	$ 65,190,000	$ 52,050,000
Current Ratio	2.75	3.18
Shareholders' Equity	$ 134,013,000	$ 110,470,000

Advanced Micro Devices, Inc.

901 Thompson Place
P.O. Box 3453
Sunnyvale, California 94088-3000
(408) 732-2400
FAX: (408) 982-6161

Officers: W.J. Sanders, III, chairman of the board & chief exec. officer; Anthony B. Holbrook, chief technical officer & vice chairman of the board; Richard Previte, president & chief operating officer; Marvin D. Burkett, sr. v.p. & chief financial officer; Stephen Zelencik, sr. v.p. & chief marketing executive; Gene Conner, sr. v.p.-memory manufaturing & technology; Thomas W. Armstrong, v.p. & general counsel; W. Curtis Francis, v.p.-corproate operations planning; Gene Connor, sr. v.p.-memory, manufacturing & technology; Stanley Winvick, v.p.-human resources.

Directors: W.J. Sanders, III, chairman; Charles M. Blalack; R. Gene Brown; Jurgen Knorr; Richard H. Jenrette; Richard Previte; Anthony B. Holbrook.

Areas of Work: Designs, develops, manufactures and markets complex monolithic intergrated circuits for use by manufacturers of a broad range of electronic equipment and systems, primarily products for computation, communication and instrumentation applications. The Company also produces and sells integrated circuits to customers that manufacture and sell computer and video products for personal use.

Subsidiaries:

Advanced Micro Devices GmbH, Germany
Advanced Micro Devices Sdn. Bhd., Malaysia
Advanced Micro Devices Export Sdn. Bhd., Malaysia
Advanced Micro, Ltd., U.S.A.
Advanced Micro Devices U.K. (Limited) England
Advanced Micro Devices SA, France
Advanced Micro Devices (Philippines) Inc., Manila
AMD Properties, Inc., U.S.A.
Advanced Micro Devices Overseas Corporation, U.S.A.
Advanced Micro Devices Belgium S.A.N.V.
Advanced Micro Devices (Canada) Limited
Advanced Micro Devices Export Corporation, Inc. U.S.A.
Advanced Micro Devices, A.B., Sweden
Advanced Micro Devices (Singapore) Pte. Ltd.
AMD (International) Limited
AMD Overseas Financial Limited
AMD Atlantic Limited
AMD (Thailand) Limited
AMD Foreign Sales Corporation
AMD Japan, Ltd.

Monolithic Memories, Inc.
2175 Mission College Boulevard
Santa Clara, California 95054-1592
(408) 970-9700

Designs, manufactures and markets large-scale integrated semiconductor circuits used in computers and computer peripheral equipment, military electronics, CAD/CAM systems, telecommunications and other digital equipment.

Transfer Agent(s):

Bank of America, NT & SA
P.O. Box 37002
San Francisco, California 94137

Bank of America, NT & SA
80 Broad Street
P.O. Box 1011, Bowling Green Station
New York, New York 10004

Stock Exchange(s): New York

Ticker Symbol: AMD

Number of Employees:

1990	11,997	1987	18,015
1989	13,072	1986	12,700
1988	14,817		

Plant Footage:

1990	3,195,000 sq. ft.	1987	3,355,000
1989	3,195,000	1986	2,400,000
1988	3,195,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,059,242,000	$ (53,552,000)
1989*	1,104,606,000	46,052,000
1988	1,125,855,000	19,316,000
1987	997,080,000	(63,987,000)
1986	828,613,000	(95,188,000)

	No. of Com Shares x	Earn. per Share x
1990	81,878,000	$ —
1989*	82,048,000	0.44
1988	80,845,000	0.11
1987	77,764,000	—
1986	75,679,000	—

(Loss)
* 53 weeks
x Based on the weighted averaged number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 463,804,000 †	$ 5.66
1989	518,404,000 †	6.32
1988	472,341,000 †	5.84
1987	450,885,000 †	5.80
1986	510,224,000	6.74

† After allowing for preferred stock at liquidation value
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *
(000's)

Year ended	12/30/90 (53 weeks)	12/31/89
Net sales	$ 1,059,242	$ 1,104,606
Cost of sales	676,507	641,427
Expenses	431,855	422,747
Gain on sale of assets	(16,319)	—
Litigation judgment	27,738	—
Interest income	(17,469)	(27,213)
Interest expense	8,282	15,790
Inc. (loss) bef. taxes	$ (53,552)	$ 49,855
Income taxes	—	3,803
Net Income (Loss)	$ (53,552)	$ 46,052

* Included in Costs and Expenses. Depreciation and Amortization: $128,274,000 in 1990 and $136,385,000 in 1989.

Assets
(000's)

As of	12/30/90	12/31/89
Cash & cash equiv	$ 49,073	$ 79,701
Temp. cash invest	66,000	199,083
Accts. recvs., net	153,458	183,623
* Inventories	90,042	90,491
Prepaid expenses	37,942	40,783
Current Assets	$ 396,515	$ 593,681
# Fixed assets	647,017	505,867
Invest. in Xilinx	37,307	3,002
Other assets	30,853	19,865
Total Assets	$ 1,111,692	$ 1,122,415

Liabilities
(000's)

Notes payable	$ 56,509	$ 48,169
Long-term debt, curr	4,531	4,195
Accts. payable	84,606	67,745
Accrued compensation	36,119	36,219
Other accruals	52,161	52,726
Deferred income	56,195	66,751
Litigation judgment liab	27,416	
Curr. Liabilities	$ 317,539	$ 275,805
Long-term debt	131,307	126,431
Deferred inc. taxes	26,542	29,278
• Preferred stock	35	35
•• Common stock	826	814
Add. paid-in capital	491,395	482,605
Retained earnings	143,548	207,450
Total Liabilities & Shareholders' Equity	$ 1,111,692	$ 1,122,415

* At standard costs adjusted to approximate the lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
• $0.10 par value; $30 convertible exchangeable
•• $0.01 par value

Statistical Summary

% Income bef. Taxes to Sales	—	4.51
% Net Income to Sales	—	4.17
% Net Income to Equity	—	6.67
Sales to Inventories	11.76	12.21
Debt to Equity	0.30	0.26
Working Capital	$ 78,976,000	$ 317,876,000
Current Ratio	1.25	2.15
Shareholders' Equity	$ 636,304,000	$ 690,904,000

AEL Industries, Inc.

305 Richardson Road
Landsdale, Pennsylvania 19446
(215) 822-2929
FAX: (215) 822-9165

Officers: Leon Riebman, chairman & chief executive officer; Mark H. Ronald, president & chief operating officer; George King, sr. v.p. & chief financial officer; John F. Sharkey, v.p.-planning; John R. Cox, v.p., secretary & general counsel; Jesse H. Riebman, v.p., treasurer & assistant secretary; Raymond Gutowski, v.p. & controller

Directors: Leon Riebman, chairman; Claire E. Riebman, Francis J. Dunleavy, Donald H. Miller, Jr., Lloyd W. Moffit, Conrad J. Fowler, Mark H. Ronald, Frederick R. Einsidler

Areas of Work: Involved with electronic defense products and services, consisting primarily of the design and manufacture of electronic countermeasure systems, simulation systems, radars and receivers. The Company is also engaged in the installation and integration of avionics systems into military aircraft, and provides such products as antennas, microwave integrated circuits, and hybrid microcircuits, and such services as calibration services, product testing services and technical publication services.

Subsidiaries:

American Electronic Laboratories, Inc.
305 Richardson Road
Lansdale, Pennsylvania 19446

AEL Systems International Corp.
AEL Defense Corp.
UltraVest Corp.

Cross Systems, Inc.
Atlanta, Georgia

Engaged in the design, development and manufacture of electronic defense systems primarily for the U.S. government and its agencies.

Transfer Agent(s):

Pittsburgh National Bank
Pittsburgh, Pennsylvania 15265

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AELNA (NASDAQ)

Number of Employees:

1991	1,450	1988	1,692
1990	1,484	1987	1,557
1989	1,569		

Plant Footage:

1991	686,507 sq. ft.	1988	586,000
1990	600,000	1987	500,000
1989	600,000		

Sales & Earnings

	Net Sales •	Net Income ‡
1991	$ 144,258,000	$ 2,574,000
1990	121,159,000	(8,987,000)
1989	136,997,000	(1,984,000)
1988	119,637,000	2,126,000
1987	108,382,000	3,321,000

	No. of Com Shares	Earn. per Share ‡ #
1991	3,882,000	$ 0.66
1990	3,892,000	—
1989	3,910,000	—
1988	3,971,000	0.51
1987	4,177,000	0.74

(Loss)
• Of continuing operations only
‡ Including extraordinary gain of $852,000 ($0.22 per share) in 1991
# Based on the average number of shares outstanding

Revenues by Line of Business

	1990	1989
U.S. Government:		
Elec. defense prods. & svcs.	$ 122,400,000	$ 100,605,000
Other prods. & svcs.	78,000	121,000
Commercial:		
Elec. defense prods. & svcs.	2,395,000	3,682,000
Other prods. & svcs.	4,375,000	4,030,000
International:		
Elec. defense prods. & svcs.	15,010,000	12,721,000
Total	$ 144,258,000	$ 121,159,000

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 44,393,000	$ 11.44
1990	41,861,000	10.76
1989	50,964,000	13.03
1988	53,418,000	13.45
1987	55,676,000	12.72

Income Account *

Year ended	2/22/91	2/23/90
Net sales & service revenues	$ 144,258,000	$ 121,159,000
Cost of sales & services	113,614,000	102,168,000
Expenses	16,581,000	15,651,000
Bid & proposal costs	5,835,000	5,711,000
Res. & develop. costs	1,607,000	2,381,000
Interest expense	3,809,000	4,503,000
Interest income	(321,000)	(552,000)
Other expense	425,000	689,000
Inc. (loss) bef. taxes	$ 2,708,000	$ (9,392,000)
Income taxes (credit)	986,000	(405,000)
Net Income (Loss)	$ 1,722,000	$ (8,987,000)
Extraord. gain	852,000	—
Net Income (Loss) & extraord. gain	$ 2,574,000	$ (8,987,000)

* Included in Costs and Expenses. Depreciation: $5,907,000 in 1991 and $5,135,000 in 1990.

AEL Industries, Inc.

Assets

As of	2/22/91	2/23/90
Cash & cash equiv	$ 219,000	$ 181,000
Restricted cash	—	10,812,000
Marketable securities	2,913,000	6,505,000
Receivables, net	47,366,000	46,875,000
Refund inc taxes	—	224,000
*Inventories	4,292,000	3,952,000
Other curr assets	250,000	492,000
Current Assets	$ 55,040,000	$ 69,041,000
Investment in foreign co	12,989,000	12,989,000
≠Fixed assets	43,485,000	38,940,000
Other assets	6,606,000	8,544,000
Total Assets	$ 118,120,000	$ 129,514,000

Liabilities

Short-term borrowings	$ 3,875,000	$ 10,575,000
Long-term debt, curr	2,571,000	2,546,000
Accts payable	3,601,000	2,648,000
Accrued payroll	4,933,000	4,378,000
Advance deposits	519,000	11,079,000
Other accruals	3,600,000	5,912,000
Other curr liabilities	13,516,000	13,296,000
Curr Liabilities	$ 32,615,000	$ 50,434,000
Long-term debt	37,603,000	33,674,000
Def inc taxes	1,633,000	1,763,000
Def retirement benefits	1,876,000	1,782,000
+Common stock		
Class A	4,442,000	4,444,000
Class B	436,000	434,000
Add paid-in capital	2,230,000	2,230,000
Retained earnings	46,630,000	44,056,000
Treasury stock	(9,345,000)	(9,303,000)
Total Liabilities & Shareholders' Equity	$ 118,120,000	$ 129,514,000

* At lower of cost (average and FIFO) or market
≠ Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

% Income bef Taxes to Sales	1.88	—
% Net Income to Sales	1.19	—
% Net Income to Equity	3.88	—
Debt to Equity	0.99	1.16
Working Capital	$ 22,425,000	$ 18,607,000
Current Ratio	1.69	1.37
Shareholders' Equity	$ 44,393,000	$ 41,861,000

Aerosonic Corporation

1212 North Hercules Avenue
Clearwater, Florida 34625
(813) 461-3000
FAX (813) 447-5926

Officers: Herbert J. Frank, chairman; David S. Goldman, president & chief executive officer; William Parker, v.p.-marketing; Robert Damonseau, v.p. Ordnance division; Miriam Frank, secretary

Directors: Herbert J. Frank, chairman; David S. Goldman, Miriam Frank, C. Fred Burley

Areas of Work: Manufacturer of flight instrumentation, supplying instruments to the military, original equipment manufacturers and the general aviation industry worldwide

Transfer Agent(s):

Aerosonic Corporation
Clearwater, Florida

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ASON (NASDAQ)

Number of Employees:

1990	320	1987	210
1989	212	1986	213
1988	185		

Plant Footage:

1990	90,000 sq. ft.	1987	75,500
1989	75,500	1986	75,500
1988	75,500		

Sales & Earnings

	Net Sales	Net Income
1990	$ 11,159,109	$ 75,136
1989	9,809,309	116,465
1988	11,110,674	165,953
1987	9,192,874	106,587
1986	10,100,154	14,893

	No. of Com Shares ‡	Earn. per Share ‡
1990	3,836,211	$ 0.02
1989	3,836,211	0.03
1988	3,836,211	0.04
1987	3,836,211	0.03
1986	3,836,211	—

‡ Based on the weighted average number of common shares outstanding

Revenues by Line of Business

	1990	1989
Instruments	$ 9,039,370	$ 9,809,309
Ordnance	2,119,739	—
Total	$ 11,159,109	$ 9,809,309

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 6,652,688	$ 1.73
1989	6,577,552	1.71
1988	6,461,087	1.68
1987	6,295,134	1.64
1986	6,188,547	1.61

‡ Based on the weighted average number of common shares outstanding

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 11,159,109	$ 9,809,309
Cost of sales	8,501,448	7,439,578
Expenses	2,103,011	2,391,059
Interest exp	350,714	88,413
Gain on pension plan term	—	(206,406)
Income bef taxes	$ 203,936	$ 96,665
Income taxes (credit)	128,800	(19,800)
Net Income	$ 75,136	$ 116,465

* Included in Costs and Expenses, Depreciation and Amortization: $537,824 in 1990 and $451,848 in 1989

Assets

As of Jan. 31	1990	1989
Cash & cash equiv	$ 53,158	$ 76,316
Receivables	1,492,818	1,311,596
* Inventories	5,074,321	5,297,622
Prepaid expenses	28,550	20,566
Refundable income taxes	10,043	35,348
Deposit with supplier	603,460	—
Current Assets	$ 7,262,350	$ 6,741,448
Restricted cash	—	186,483
≠ Fixed assets	4,626,123	4,143,598
Other assets	64,502	66,750
Total Assets	$ 11,952,975	$ 11,138,279

Liabilities

Note payable	$ 800,000	$ 750,000
Long-term debt, curr	274,227	296,986
Cap. lease oblig., curr	37,418	34,894
Accounts payable	657,970	1,075,530
Accrued payroll	218,689	213,522
Other accruals	46,586	67,442
Prog. bill. on gov't. contr.	473,871	—
Def. income taxes	—	17,700
Income taxes payable	20,152	—
Curr Liabilities	$ 2,523,913	$ 2,456,074
Long-term debt	2,349,656	1,707,216
Cap. lease obligation	125,318	162,737
Def. inc. taxes	301,400	234,700
+ Common stock	1,594,505	1,594,505
Add. paid-in capital	3,174,354	3,174,354
Retained earnings	1,956,490	1,881,354
Treasury stock	(72,661)	(72,661)
Total Liabilities & Shareholders' Equity	$ 11,952,975	$ 11,138,279

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $0.40 par value

Statistical Summary

% Income bef. Taxes to Sales	0.19	0.99
% Net Income to Sales	0.67	1.19
% Net Income to Equity	1.13	1.77
Sales to Inventories	2.20	1.85
Debt to Equity	0.54	0.45
Working Capital	$ 4,738,437	$ 4,285,374
Current Ratio	2.88	2.74
Shareholders' Equity	$ 6,652,688	$ 6,577,552

AFA Protective Systems, Inc.

155 Michael Drive
Syosset, New York 11791
(516) 496-2322
FAX (516) 496-2948

Officers: Philip Kleinman, chairman, chief executive officer & president; Robert D. Kleinman, exec. v.p., secretary & general counsel; Richard D. Kleinman, v.p. & chief operating officer; Raymond S. Greenberger, treasurer & assistant secretary

Directors: Philip Kleinman, chairman; Robert S. Heller, Reginald C. Miller, Alfred G. Seddon, Harry F. Weyher, Richard D. Kleinman, Robert D. Kleinman, Leon Sicular, Asher Bernstein

Areas of Work: Engaged in the distribution and installation of alarm devices and systems, including a time and frequency division multiplex signal transmission system. Provides central station protective services

Subsidiaries:

AFA Mass., Inc.

The Delta Group, Inc.

Transfer Agent(s):

Mellon Securities Trust Company
85 Challenger Road
Ridgefield Park, New Jersey 07660

Stock Exchange(s): Over-the-Counter

Number of Employees:

1990	268	1987	256
1989	250	1986	250
1988	250		

Sales & Earnings

	Sales & Revenues	Net Income
1990	$ 22,666,866	$ 1,721,032
1989	21,624,180	1,674,504
1988	20,589,895	1,788,843
1987	18,379,831	912,973
1986	15,836,087	1,061,422

	No. of Com. Shares	Earn. per Share ≠
1990	206,169	$ 8.23
1989	230,224	7.26
1988	230,928	7.60
1987	235,813	3.87
1986	235,813	4.00

≠ Based on the weighted average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.30		
1989	1.20		
1988	1.10		
1987	1.00		
1986	0.94		

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 8,423,330	$ 40.86
1989	8,921,026	38.75
1988	7,571,693	32.79
1987	6,348,769	26.92
1986	5,671,668	24.05

Income Account

Year ended Dec. 31	1990	1989
Revenues		
Service	$ 18,164,778	$ 17,446,877
Sales	4,502,088	4,177,303
Total revenues	$ 22,666,866	$ 21,624,180
Cost of sales	2,294,317	2,141,285
Cost of service	9,795,700	9,346,920
Expenses	5,928,076	5,529,677
Depreciation	1,457,105	2,039,769
Interest income	(352,364)	(320,975)
Income before taxes	$ 3,544,032	$ 2,887,504
Income taxes	1,823,000	1,213,000
Net Income	$ 1,721,032	$ 1,674,504

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 4,628,174	$ 3,918,825
Short-term invest.	973,934	1,128,363
Accts. receiv., net	3,043,871	2,718,715
*Inventories	284,332	176,603
Prepaid expenses and other	134,684	187,643
Current Assets	$ 9,074,775	$ 8,130,149
Installation materials	771,848	817,722
≠Fixed assets	10,717,654	11,462,764
Other assets	1,151,246	1,235,831
Total Assets	$ 21,715,523	$ 21,646,466

Liabilities

	1990	1989
Accts. payable	$ 1,417,396	$ 1,248,595
Income taxes payable	142,146	37,400
Accruals	1,441,276	1,153,601
Curr. Liabilities	$ 3,000,818	$ 2,439,596
Deferred income	7,874,105	7,910,567
Deferred inc. taxes	1,891,800	1,751,400
Deferred pension liab.	525,470	623,877
+Common stock	206,169	230,224
Add. paid-in capital	418,690	466,094
Retained earnings	7,798,471	8,224,708
Total Liabilities & Shareholders' Equity	$ 21,715,523	$ 21,646,466

* At lower of cost (FIFO) or market

≠ Less accumulated depreciation

+ $1 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Revenues	15.63	13.35
% Net Income to Revenues	7.59	7.74
% Net Income to Equity	20.43	18.77
Working Capital	$ 6,073,957	$ 5,690,553
Current Ratio	3.02	3.33
Shareholders' Equity	$ 8,423,330	$ 8,921,026

Alcatel n.v.

(The Company is 70%-owned by Alcatel Alsthom and 30%-owned by ITT Corp.)

World Trade Center
Strawinskylaan 341
NL-1077 XX Amsterdam, The Netherlands
31-20 573 3700
FAX 31-20 664 0761

Supervisory Board: Rand V. Araskog, chairman, Rene Bourdin, Jean-Pierre Brunet, Vicomte Etienne Davignon, Jacques Dondoux, Robert A. Burnett, Otto Graf Lambsdorff, Edward C. Meyer, Jacques Chevallier

Board of Management: Pierre Suard, chairman, Jozef Cornu, Pierre Le Roux

Areas of Work: The company is engaged in the whole range of digital telecommunications technologies-- switching, transmission, PABX exchanges and terminals -- and communications and power cables. It also produces, sells and distributes fibre optics, space-based communications, and Integrated Services Digital Networks, cellular mobile radio, intelligent networks, network management, and business communications networks. In the area of public switching, the company is a worldwide leader in digital switching lines installed, and as a system supplier of advanced network applications. In transmission systems, the company is engaged in line transmission, microwave equipment, and space-based systems and earth stations. In business systems, the company is the largest supplier of private branch exchanges (PABX's) in Europe. In the area of cellular mobile commanications, Alcatel is at the forefront of switching, transmission and terminals. The company is also the world's largest producer of telecommunication and power cables, used around the globe for land-based and submarine systems. This includes the complete range of cable-related technologies, from optical fibre manufacture and copper and aluminum metallurgy, to system design, cable-laying and maintenance. The company is also engaged in professional electronics and related business areas which include network engineering and installation, transport automation and signalling, navigational aids, postal automation, vacuum techology, laser technolgy, telecommunications-dedicated components, and software and system houses.

Principal Subsidiaries:

Alcatel Austria AG
Alcatel Austria
Alcatel Bell Telephone
Alcatel CIT
Alcatel FACE
Alcatel Kirk
Alcatel Nederland
Alcatel Standard Electrica
Alcatel Trade International
Alcatel Cable
Alcatel USA Corp
Alcatel Indetel
Alcatel SEL
Alcatel STK
Alcatel STR
Alcatel STC Australia
Alcatel Business Systems France
Alcatel Taisel

Number of Employees

1990	122,763	1988	127,433
1989	124,489	1987	133,503

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1990	ECU 13,445,741	ECU 581,604
1989	12,793,145	478,404
1988	11,101,196	360,884
1987	11,197,527	315,251

	No. of Com. Shares +	Earn. per Share +
1990	41,890,000	ECU 14.12
1989	41,838,000	11.43
1988	41,837,000	8.63
1987	41,837,000	7.54

ECU - European currency units

+ Based on the weighted average number of shares outstanding during the year

Revenues by Line of Business
(000's)

	1990	1989
Public network systems	ECU 4,355,100	ECU 3,397,200
Transmission	2,288,700	2,040,600
Business systems	2,490,600	2,619,700
Cables	4,114,000	3,993,300
Other activities	1,540,300	1,812,500
Intersegment	(331,100)	(431,700)
Total	ECU 14,457,600	ECU 13,431,600

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	4.80	—	—
1989	2.99	—	—
1988	2.78	—	—
1987	2.39	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1990	ECU 2,430,273	ECU 58.02
1989	2,073,428	49.56
1988	1,711,128	40.90
1987	1,442,897	34.49
1986	1,439,019	—

+ Based on the weighted average number of shares outstanding during the year

Income Account +
(000's)

Year ended Dec. 31	1990	1989
Revenues	ECU 13,445,741	ECU 12,793,145
Cost of sales	10,053,335	9,650,006
Expenses	2,085,946	2,039,232
Oper. profit	ECU 1,306,460	ECU 1,103,907

Interest expense	288,493	294,017
Interest income	(212,310)	(169,063)
Eq in unconsol subsid	(36,069)	(41,974)
Div from unconsol cos	(9,756)	(13,651)
Restruc costs	286,097	223,484
Other expense	23,811	1,533
Income before taxes	ECU 966,194	ECU 809,561
Income taxes	294,283	285,334
Non-recurring items	3,084	(8,946)
Minority interest	77,223	54,769
Net Income	ECU 591,604	ECU 478,404

• Included in Costs and Expenses. Depreciation and Amortization ECU 655,583,000 in 1990 and ECU 567,417,000 in 1989

Assets
((000's)

As of Dec 31	1990	1989
Cash	ECU 708,824	ECU 677,420
Marketable securities	1,076,325	770,883
Accts receiv., net	4,036,349	3,649,211
•Inventories	2,650,258	2,652,362
Other curr assets	549,856	418,650
Current Assets	ECU 9,021,612	ECU 8,168,526
Investments	245,010	274,028
Long-term receiv	340,321	110,930
≠Fixed assets	2,655,112	2,469,284
Other assets	91,872	74,177
Intangibles	396,810	400,897
Total Assets	ECU 12,750,737	ECU 11,497,842

Liabilities
(000's)

Short-term debt	ECU 1,996,880	ECU 1,722,671
Accts payable & accruals	3,109,913	2,830,553
Progress payments	1,503,267	1,224,037
Accrued contract costs	979,953	915,121
Accrued taxes	274,978	290,748
Current Liabilities	ECU 7,864,991	ECU 6,983,130
Long-term debt	632,429	634,993
Minority interest	431,164	374,847
Provisions & deferred liab	1,314,890	1,348,607
Deferred inc taxes	76,990	82,837
+Common stock	883,108	892,560
Add paid-in capital	402,129	400,136
Retained earnings	1,204,074	813,473
Cum trans adjust	(69,038)	(32,741)
Total Liabilities & Shareholders' Equity	ECU 12,750,737	ECU 11,497,842

• At lower of cost (FIFO or weighted average) or market Copper in the cables segment at LIFO
≠ Less accumulated depreciation
+ f50 par value (Dutch guilders)

Statistical Summary

% Income bef Taxes to Revenues	7.19	6.33
% Net Income to Revenues	4.40	3.74
% Net Income to Equity	24.34	23.07
Debt to Equity	1.08	1.14
Working Capital (000's)	ECU 1,156,621	ECU 1,185,396
Current Ratio	1.15	1.17
Shareholders Equity (000's)	ECU 2,430,273	ECU 2,073,428

Alden Electronics, Inc.

Washington Street
Westborough, Massachusetts 01581
(508) 366-8851
FAX (508) 898-2427

Officers: Joseph H. Girouard, chairman of the board & chief executive officer; Lawrence A. Farrington, president; S. Charles Sviokla, sr. v.p. & chief financial officer; Gary A. Lortie, treasurer; Dr. John A. Nuber, v.p.-engineering

Directors: Joseph H. Girouard, Lawrence A. Farrington, Elizabeth J. Alden, William L. Alden, S. Charles Sviokla, Edward D. Cross, Robert E. Blakelock, Howard F. Nichols

Areas of Work: Designs, assembles, sells and leases facsimile recorders, communications equipment and weather graphics display terminals. The Company supplies this equipment to industry, military and government for the display and recording of weather maps, satellite pictures and scientific data.

Divisions and Subsidiaries:

Alden International, Inc
Alfax Paper & Engineering Company, Inc
both at:
40 Washington Street
Westborough, Massachusetts 01581

Alfax Paper of United Kingdom, Ltd
Epsom, Surrey KT17 1ER England

Zephyr Weather Information Service, Inc
40 Washington Street
Westborough, Massachusetts

Distributes weather data utilizing satellite communications and downlink earth stations.

Transfer Agent(s):

American Stock Transfer & Trust Company
40 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADNEA (NASDAQ)

Number of Employees:

1990	149	1987	170
1989	174	1986	160
1988	181		

Plant Footage:

1990	85,500 sq. ft.	1987	73,500
1989	73,500	1986	73,500
1988	73,500		

Sales & Earnings

	Net Sales †	Net Income
1991	$ 18,122,449	$ 640,933
1990*	19,227,181	718,225
1989	18,895,023	442,979
1988	22,944,624	906,779
1987	18,817,490	850,820

	No. of Com Shares ‡	Earn. per Share ‡
1991	2,165,385	$ 0.30
1990*	2,165,385	0.33
1989	2,165,385	0.20
1988	2,164,736	0.42
1987	2,146,193	0.40

* 53 weeks
† Includes other revenues
‡ Based on the weighted average number of Class A common stock and common share equivalents outstanding

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1991	$ 0.12	—	—
1990	0.12	—	—
1989	0.10	—	—
1988	0.15	—	—
1987	0.25	—	—

+ Class A and Class B Common Stock combined

Common Stock Equity

	Total Equity	Equity Per Share ‡
1991	$ 12,338,749	$ 5.70
1990	11,927,096	5.51

‡ Based on the weighted average number of Class A Common Stock and common share equivalents outstanding

Income Account*

Year ended	3/30/91 (53 weeks)	3/31/90
Net sales & serv. revenues	$ 15,408,807	$ 16,030,408
Income from leased equip	2,563,467	3,078,941
Interest income	150,175	117,832
Total income	$ 18,122,449	$ 19,227,181
Cost of sales	12,529,789	13,044,538
Expenses	4,553,355	4,958,424
Interest expense	97,372	223,994
Income before taxes	$ 941,933	$ 1,000,225
Income taxes	301,000	282,000
Net Income	$ 640,933	$ 718,225

• Included in Costs and Expenses, Depreciation and Amortization $1,604,780 in 1991 and $2,124,099 in 1990

Assets

As of	3/30/91	3/31/90
Cash & cash equiv	$ 1,636,896	$ 2,205,298
Short-term invest	900,498	238,095
Accts receiv., net	2,131,590	1,850,320
*Inventories	5,350,967	4,409,350
Prepaid expenses	101,685	35,581
Current Assets	$ 10,121,636	$ 8,738,644
≠Fixed assets	5,171,711	5,788,566
Intangibles	197,669	243,418
Total Assets	$ 15,491,016	$ 14,770,628

Liabilities

Long-term debt, curr	$ 137,496	$ 149,996
Accts payable	669,589	480,601
Accruals	717,558	318,308
Deferred revenue	160,891	236,147
Income taxes	61,615	148,102
Dividends payable	241,846	241,846
Other current liabilities	249,926	230,690
Curr Liabilities	$ 2,238,921	$ 1,805,690
Long-term debt	683,346	820,842
Deferred inc taxes	230,000	217,000
+Class A common stock	1,990,385	1,990,385
++Class B common stock	75	75
Add paid-in capital	1,547,618	1,547,618
Retained earnings	8,787,779	8,388,692
Curr trans adjust	12,892	326
Total Liabilities & Shareholders' Equity	$ 15,491,016	$ 14,770,628

• At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $1 par value
++ No par value

Statistical Summary

% Income bef Taxes to Sales	6.11	6.24
% Net Income to Sales	4.16	4.48
% Net Income to Equity	5.19	6.02
Debt to Equity	0.07	0.08
Working Capital	$ 7,882,715	$ 6,932,954
Current Ratio	4.52	4.84
Shareholders' Equity	$ 12,338,749	$ 11,927,096

Algorex Corporation

45 Adams Avenue
Hauppauge, New York 11788
(516) 434-9400
FAX (516) 434-9566

Officers: Sheldon O. Newman, chairman of the board, president & chief executive officer; Merwin Kliman, exec v.p.; Donald D. Shack, secretary; Jeffrey J. Waxweiler, v.p.-business development; Marvin O. Sleven, v.p.-west coast sales.

Directors: Sheldon O. Newman, chairman; Merwin Kliman, Donald D. Shack, Thomas F. Kearns, Jr.

Areas of Work: Using computers, the company automates the design, manufacture and testing of complex systems of all kinds for companies in the electronic industry.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALGO (NASDAQ)

Number of Employees:

1989	75	1986	230
1988	100	1985	N.A.
1987	N.A.		

Plant Footage:

1989	35,000 sq.ft.	1986	150,000
1988	75,000	1985	N.A.
1987	N.A.		

N.A.-Not Available

Sales & Earnings

	Revenues	Net Income ‡
1989	$ 8,064,432	$ 675,099
1988	7,481,229	(1,125,218)
1987	8,514,541	(6,493,881)
1986	16,452,603	(2,711,423)
1985	14,970,674	(5,855,766)

	No. of Com. Shares #	Earn. per Share ‡ #
1989	2,788,671	$ 0.24
1988	2,783,046	—
1987	2,773,040	—
1986	2,764,981	—
1985	2,785,159	—

(Loss)
‡ Including extraordinary gain of $251,000 ($0.09 per share) in 1989.
# Based on the weighted average number of shares outstanding during each period.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 3,721,099	$ 1.33
1988	3,043,125	1.09
1987	4,168,343	1.50
1986	10,592,724	3.83
1985	13,290,485	4.77

Based on the weighted average number of shares outstanding during each period.

Income Account *

Year ended June 30	1989	1988
Revenues	$ 8,064,432	$ 7,481,229
Cost of sales	5,564,290	4,280,672
Expenses	2,628,402	3,464,615
Int. and dividend inc.	(115,072)	(36,985)
Interest expense	112,907	371,010
Other income	(7,425)	(62,095)
Gain on sale of facility	(915,114)	—
Losses rel. to writedown of computer equip.	—	514,770
Inc. (loss) bef. taxes	$ 796,444	$ (1,050,758)
Income taxes	372,345	74,460
Net Income (Loss)	$ 424,099	$ (1,125,218)
Extraord. gain	251,000	—
Net Income (Loss) & extraord. gain	$ 675,099	$ (1,125,218)

* Included in Costs and Expenses, Depreciation and Amortization: $487,490 in 1989 and $654,958 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 1,519,689	$ 404,206
Acct. receiv., net	1,467,247	1,917,081
* Inventories	460,517	381,460
Other curr. assets	64,002	79,512
Current Assets	$ 3,511,455	$ 2,782,259
# Fixed assets	1,112,111	7,397,968
Other assets	43,582	353,978
Total Assets	$ 4,667,148	$ 10,534,205

Liabilities

Revenue bonds	$ —	$ 200,000
Accts. payable	451,247	625,289
Accrued payroll	267,389	453,465
Other accruals	79,756	425,562
Income taxes pay.	147,657	86,764
Curr. Liabilities	$ 946,049	$ 1,791,080
Revenue bonds	—	5,700,000
+ Common stock	27,960	27,855
Add. paid-in capital	15,625,370	15,622,600
Retained earnings (deficit)	(11,915,356)	(12,590,455)
Treasury stock	(16,875)	(16,875)
Total Liabilities & Shareholders' Equity	$ 4,667,148	$ 10,534,205

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.88	—
% Net Income to Sales	5.26	—
% Net Income to Equity	11.40	—
Working Capital	$ 2,565,406	$ 991,179
Current Ratio	3.71	1.55
Shareholders' Equity	$ 3,721,099	$ 3,043,125

The Allen Group, Inc.

534 Broad Hollow Road
Melville, New York 11747
(516) 293-5500
FAX (516) 293-5485

Officers: Philip Wm. Colburn, chairman; J. Chisholm Lyons, vice chairman of the board; Robert G. Paul, pres. & chief executive officer; Stephen F. Gilhuley, v.p., secretary & general counsel; Robert A. Youdelman, sr. v.p.-finance; Ralph Daulton, president-Allen Automated Systems Company; John Kepple, president-Allen Testproducts; Raymond Scanlon, president-The G&O Manufacturing Co.; Frank J. Hyson, v.p. & president-The Crown Divisions; Erik H. van der KAAY, president-The Antenna Specialists Co.; John C. Martin, III, treasurer; Ed Cohen, president-Allen Testproducts; James L. LePorte, III, v.p. & controller.

Directors: Wade W. Allen, George A. Chandler, Philip W. Colburn, Albert H. Gordon, J. Chisholm Lyons, Charles W. Robinson, Robert G. Paul, Richard S. Vokey, William M. Weaver, Jr., Jill K. Conway.

Areas of Work: Manufactures automotive electronic test equipment, electronic assemblies and computerized engine diagnostic equipment. Other products include auto parts, antennas and truck cabs.

Divisions and Subsidiaries:

Allen Testproducts
Kalamazoo, Michigan
Mississauga, Ontario, Canada
Engine diagnostic equipment for the automotive repair market.

Mangum Manufacturing Company
Dallas, Texas
Radiators and heat exchange products.

Allen Automated Systems Company
Westland, Michigan
Computerized products test and assembly machines and systems and automated test equipment.

The Antenna Specialists Co.
Cleveland, Ohio
Cellular telephone, marine, aviation, land mobile, monitor and CB antennas.

The G&O Manufacturing Company
New Haven, Connecticut
Replacement radiator cores, radiators and heat exchange products.

The Allen Group Puerto Rico Inc.
Fajardo, PR
Electronic assemblies used in other Allen products.

Allen Group Canada Limited
Toronto, Ontario, Canada
Die-cut and molded rubber products.

The Allen Group Leasing Corp.
Livonia, Michigan
Leases engine diagnostic equipment.

The Crown Divisions
Wooster, Orrville, Lorain, Lardstown, Ohio; Baltimore, Maryland; Sterling Heights, Michigan;
Mississauga, Canada
Truck cabs, bodies, utility van interiors, farm tractor cabs and hoods.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York, Pacific

Ticker Symbol: ALN

Number of Employees:

1990	2,800	1987	5,200
1989	3,500	1986	5,400
1988	4,600		

Plant Footage:

1990	2,210,000 sq. ft.	1988	2,210,000
1989	2,210,000		

The Allen Group, Inc.

Sales & Earnings

	Net Sales †	Net Income
1990	$ 339,135,000	$ (1,262,000)
1989	352,689,000	19,025,000
1988	336,864,000	5,675,000
1987	302,638,000	(15,477,000)
1986	306,079,000	(10,274,000)

	No. of Com Shares	Earn. per Share ‡
1990	8,468,000	$ —
1989	8,386,000	1.83
1988	8,201,000	0.20
1987	8,199,000	—
1986	8,309,000	—

(Loss)
† Of continuing operations only
‡ Based on the weighted average number of common shares outstanding

Revenues By Line of Business
(000's)

	1990	1989
Automotive test & service	$ 188,900	$ 196,300
Truck prods	88,900	103,500
Mobile communications	61,300	52,900
Total	$ 339,100	$ 352,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	0.42	—	—
1986	0.56	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1990	$ 70,500,000	$ 8.33
1989	74,443,000	8.88
1988	58,101,000	7.08
1987	57,744,000	7.04
1986	85,571,000	9.98

‡ After allowing for preferred stock at liquidation value

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 339,135	$ 352,689
Lease finance income	13,146	9,309
Total income	$ 352,281	$ 361,998
Cost of sales	222,241	237,595
Expenses	98,050	99,068
Interest expense	11,165	10,375
Eq. in earn. of joint vent	(717)	—
Unusual item	18,554	—
Income bef. taxes	$ 2,988	$ 14,960
Income taxes	4,250	4,790
Inc. (loss)-cont. oper	$ (1,262)	$ 10,170
Income-discont. oper		8,855
Net Income (Loss)	$ (1,262)	$ 19,025

* Included in Costs and Expenses, Depreciation and Amortization: $6,716,000 in 1990 and $8,733,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 818	$ 22,714
Accts. receiv., net	54,705	58,278
Lease receiv	19,609	16,848
Receiv. from joint ventures	19,660	—
*Inventories	82,465	86,351
Prepaid expenses	1,866	1,747
Current Assets	$ 179,123	$ 185,938
≠Fixed assets	57,591	67,958
Lease receiv	56,612	41,631
Inv. in & adv. to joint vent	15,860	—
Other assets	21,241	22,730
Total Assets	$ 330,427	$ 318,257

Liabilities
(000's)

	1990	1989
Notes payable	$ 3,993	$ 604
Long-term debt, curr	1,417	3,835
Accts. payable	16,108	19,207
Accruals	37,497	34,548
Income taxes pay	11,358	14,696
Curr. Liabilities	$ 70,373	$ 72,890
Long-term debt	114,072	100,796
Deferred income taxes	373	476
Other liabilities	17,609	12,152
+Preferred stock	2,300	2,300
++Common stock	9,966	9,936
Add. paid-in capital	125,663	125,647
Retained earnings	10,285	15,572
Translation adjustments	52	(1)
Treasury stock	(19,453)	(20,454)
Unearned compensation	(813)	(1,057)
Total Liabilities & Shareholders' Equity	$ 330,427	$ 318,257

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization
+ No par value: $1.75 convertible exchangeable
++ $1 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	0.88	—
% Net Income to Equity	—	14.42
Sales to Inventories	4.11	4.08
Debt to Equity	0.93	0.80
Working Capital	$ 108,750,000	$ 113,048,000
Current Ratio	2.55	2.55
Shareholders' Equity	$ 128,000,000	$ 131,943,000

Allen Organ Company

Macungie, Pennsylvania 18062
(215) 966-2200
FAX: (215) 965-3098

Officers: Steven Markowitz, president; Eugene Moroz, vice president-production & asst. secretary; Leonard W. Helfrich, treasurer & secretary

Directors: Robert Pearce, Eugene Moroz, Orville G. Hawk, Steven Markowitz, Albert F. Schuster, Leonard W. Helfrich

Areas of Work: Manufactures digital computer organs and accessories for the home and institutional markets

Subsidiaries:

Rocky Mount Instruments Inc
Rocky Mount, North Carolina
(919) 442-8068

Manufactures various assemblies for Allen organs as well as other instruments

Transfer Agent(s):

Pittsburgh National Bank
10th St. & Ft. Duquesne Blvd.
Pittsburgh, Pennsylvania 15265

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AORGB (NASDQ)

Number of Employees:

1990	460	1987	470
1989	455	1986	470
1988	460		

Plant Footage:

1990	307,000 sq. ft.	1987	307,000
1989	307,000	1986	287,000
1988	307,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 25,720,937	$ 4,688,719
1989	24,179,093	4,826,244
1988	23,132,456	4,617,642
1987	24,224,474	4,458,921
1986	23,108,800	3,655,692

	No. of Com Shares ≠	Earn. per Share +
1990	1,461,289	$ 3.18
1989	1,504,322	3.21
1988	1,504,323	3.07
1987	1,432,933	2.96
1986	1,364,919	2.43

≠ Class A and Class B shares combined adjusted to reflect stock dividends
+ Based on the average number of shares outstanding adjusted to reflect stock dividends

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.48	—	—
1989	0.42	—	—
1988	0.40	5%	—
1987	0.32	5%	—
1986	0.30	—	—

+ Adjusted to reflect stock dividends

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 46,558,244	$ 31.86
1989	44,426,999	29.53
1988	40,232,607	26.74
1987	36,215,627	25.27
1986	32,216,430	23.60

+ Adjusted to reflect stock dividends

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 25,720,937	$ 24,179,093
Cost of sales	17,026,105	15,327,593
Expenses	3,657,848	3,583,076
Interest income	(2,266,129)	(2,308,829)
Royalty income	(44,535)	(166,312)
Loss on sale of assets	25,932	66,321
Income before taxes	$ 7,321,719	$ 7,677,244
Income taxes	2,633,000	2,851,000
Net Income	$ 4,688,719	$ 4,826,244

* Included in Costs and Expenses, Depreciation and Amortization: $649,287 in 1990 and $658,745 in 1989

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 346,114	$ 258,866
Short-term investments	28,699,330	28,629,566
Marketable securities	335	95,063
Accts. receiv., net	3,512,946	3,144,964
* Inventories	7,449,232	7,044,945
Def. inc. tax benefits	18,800	24,125
Prepaid inc. taxes	131,540	157,789
Prepaid expenses	34,468	28,325
Current Assets	$ 40,192,765	$ 39,383,643
≠ Fixed assets	8,159,028	6,465,343
Other assets	1,315,113	522,630
Total Assets	$ 49,666,906	$ 46,371,616

Liabilities

Accts. payable	$ 634,849	$ 315,404
Accrued inc. taxes	24,891	—
Accrued payroll	440,706	392,753
Other accrued expenses	85,393	32,955
Customer deposits	394,747	602,388
Curr. Liabilities	$ 1,580,586	$ 1,343,500
Deferred liabilities	551,767	551,117
Unfund. accr. pension cost	976,309	50,000
+ Common stock		
Class A	128,104	128,104
Class B	1,409,889	1,409,889
Add. paid-in capital	12,610,377	12,610,377
Retained earnings	34,378,609	30,395,002
Pension liability adjust.	(121,800)	—
Treasury stock	(1,846,935)	(116,373)
Total Liabilities & Shareholders' Equity	$ 49,666,906	$ 46,371,616

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	28.47	31.75
%Net Income to Sales	18.23	19.96
%Net Income to Equity	10.07	10.86
Sales to Inventories	3.45	3.43
Working Capital	$ 38,612,179	$ 38,040,143
Current Ratio	25.43	29.31
Shareholders' Equity	$ 46,558,244	$ 44,426,999

Alliant Computer Systems Corporation

One Monarch Drive
Littleton, Massachusetts 01460
(508) 486-4950

Officers: Thomas J. Perkins, chairman of the board; Ronald H. Gruner, president & chief exec. officer; John M. Harte, v.p.-world-wide marketing, sales & customer support; Robert L. Lentz, v.p.-finance & administration; Richard T. McAndrew, v.p.-hardware product develop.; Daniel J. McCoy, v.p.-human resources; Craig J. Mundie, v.p.-research and development & treasurer; E. Lynn Nelson, v.p.-North American sales; John H. Scanlon, v.p.-marketing; John G. Torborg, v.p.-technology; George Tranos, v.p.-manufacturing; Paul P. Brountas, secretary.

Directors: Thomas J. Perkins, chairman of the board; Ronald H. Gruner, Doris Benesik, Carl D. Carman, Craig J. Mundie, Henry S. Smith.

Areas of Work: The Company is engaged in the design, manufacture, and sale of high-performance computer systems, color graphics systems, and related products and services, including training and maintenance. Alliant manufactures parallel and visual supercomputers for scientists and engineers. The Company's products are based on three fundamentals: parallel processing, visualization, and industry standards.

Acquisition:

Raster Technologies, Inc.
Designs, manufactures and markets high-performance color computer graphics systems.

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALNT (NASDAQ)

Sales & Earnings

	Revenues	Net Income ‡
1989	$ 68,379,000	$ 2,189,000
1988	64,829,000	(36,243,000)
1987	73,509,000	7,065,000
1986	49,607,000	3,552,000
1985	22,331,000	(3,970,000)

	No. of Com. Shares +	Earn. per Share ‡ +
1989	13,208,000	$ 0.17
1988	12,105,000	—
1987	12,840,000	0.55
1986	10,698,000	0.33
1985	10,369,000	—

(Loss)
‡ Including extraordinary gains of $3,303,000 in 1988, $3,360,000 ($0.26 per share) in 1987, $2,093,000 ($0.19 per share) in 1986 and $337,000 ($0.03 per share) in 1985.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 31,081,000	$ 2.35
1988	24,581,000	2.03
1987	59,744,000	4.65
1986	52,481,000	4.91
1985	21,551,000	2.08

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues		
Equipment	$ 56,092	$ 56,804
Services	12,287	8,025
Total Revenues	$ 68,379	$ 64,829
Cost of revenues	33,121	32,187
Expenses	32,839	46,777
Merger & consol. charge	—	5,473
Restruc. charge	—	19,937
Other income	(3,288)	(3,940)
Interest expense	3,381	3,790
Inc. (loss) bef. taxes	$ 2,326	$ (39,395)
Income taxes	137	151
Net Income (Loss)	$ 2,189	$ (39,546)
Extraord. gain	—	3,303
Net Income (Loss) & extraord. gain	$ 2,189	$ (36,243)

* Included in Costs and Expenses, Depreciation and Amortization: $4,737,000 in 1989 and $6,936,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 12,275	$ 32,861
Marketable securities	25,707	16,250
Accts. receiv., net	25,602	25,833
Other receivables	1,391	1,567
*Inventories	14,738	8,953
Prepaid expenses	1,165	485
Current Assets	$ 80,878	$ 85,949
≠Fixed assets	7,463	7,504
Other assets	5,135	3,067
Total Assets	$ 93,476	$ 96,520

Liabilities
(000's)

Notes payable	$ 3,307	$ 3,805
Cap. lease oblig., curr.	647	857
Accts. payable	4,978	6,134
Accruals	10,762	16,124
Deferred revenue	3,242	3,439
Current Liabilities	$ 22,936	$ 30,359
Cap. lease oblig.	259	2,380
Convert. subord. deben.	39,200	39,200
+Common stock	131	123
Add. paid-in capital	74,069	69,441
Retained earnings (deficit)	(42,761)	(44,950)
Treasury stock	(81)	(37)
Cum. trans. adjust.	(277)	4
Total Liabilities & Shareholders' Equity	$ 93,476	$ 96,520

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Revenues	3.40	—
% Net Income to Revenues	3.20	—
% Net Income to Equity	7.04	—
Debt to Equity	0.14	0.29
Working Capital	$ 57,942,000	$ 55,590,000
Current Ratio	3.53	2.83
Shareholders Equity	$ 31,081,000	$ 24,581,000

Allied-Signal Inc.

(formerly Allied Corporation)

101 Columbia Road
P.O. Box 4000
Morristown, New Jersey 07962-4000
(201) 455-2000
FAX: (201) 455-6039

Officers: Edward L. Hennessy, chairman of the board; Lawrence A. Bossidy, chief executive officer; Alan Belzer, president & chief operating officer; John W. Day, exec. v.p. & president-Automotive; Roy H. Ekrom, exec. v.p. & president-Allied Signal Aerospace; Frederic M. Poses, exec. v.p. & president-Engineered Materials; John W. Barter, sr. v.p. & chief financial officer; Mary L. Good, sr. v.p.-technology; Brian D. Forrow, sr. v.p. & gen. counsel; David G. Powell, sr. v.p.-public affairs; Edward W. Callahan, v.p.-health, safety, and environmental sciences; G. Peter D'Aloia, v.p. & treasurer; Kenneth W. Cole, v.p.-gov't. relations; J. Thomas Zusi, v.p. & controller; Andrew B. Samet, v.p., secretary & associate general counsel; Donald J. Redlinger, sr. v.p.-human resources; James J. Verant, v.p. & president-Allied-Signal International; James E. Sierk, sr.v.p.-quality & productivity.

Directors: Jewel Plummber Cobb, Edward L. Hennessy, Jr., Donald W. Davis, William R. Haselton, Robert D. Kilpatrick, Lt. Gen. Thomas P. Stafford, Edward J. Boling, Rawleigh Warner, Jr., Delbert C. Staley, Gen. Paul X. Kelley, Russell E. Palmer, Eugene E. Covert, Alan Belzer, Robert P. Luciano, Robert C. Winters.

Allied-Signal Inc.

Areas of Work: The Company's operations are conducted under three business segments: aerospace, automotive, and engineered materials.

Engineered materials include nylon home furnishings fibers, nylon and polyester industial fibers, nylon apparel fibers, circuit board laminates, engineered plastics, fluorocarbons, high-density polyethylene, low-molecular-weight polyetheylene, hydrofluoric acid, performance films, uranium hexafluoride, specialty oximes, amorphous metal alloys, sulfur hexafluorode, and tar products.

The Company serves key military and commercial segments of the aviation, defense and space markets with a broad array of systems, subsystems, components and services. It designs, develops, manufactures, markets and services hundreds of products found on all types of aircraft from single engine executive aircraft and wide-bodied "jumbos", flown by the world's commercial carriers, to trainers, transports, bombers, fighters and helicopters used by the U.S. and other countries for national defense.

The automotive segment primarily supplies systems and components to domestic and foreign manufacturers of passenger cars, light, medium and heavy trucks and off-road vehicles and also supplies a variety of replacement parts. The company's pricipal original-equipment products for cars and light trucks include disc drum brakes, power brake boosetrs and master cylinders, anti-lock braking sytems (ABS), friction materials, spark plugs, turbochargers, charge-air intercoolers & occupant protection systems.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific, Toronto, Amsterdam, Paris, Basel, Geneva, Zurich, Frankfurt, London, Tokyo.

Ticker Symbol: ALD

Number of Employees:

1990	105,800	1987	115,300
1989	107,100	1986	137,200
1988	109,550		

Sales & Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1990	$ 12,343,000	$ 462,000
1989	11,942,000	528,000
1988	11,909,000	463,000
1987	11,116,000	656,000
1986	9,888,000	605,000

	No. of Com. Shares	Earn. per Share ‡ #
1990	134,687,671	$ 3.35
1989	145,002,641	3.55
1988	147,960,725	3.10
1987	149,948,815	3.90
1986	174,352,025	3.26

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $59,000,000 ($0.35 per share) in 1987.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1990	1989
Aerospace	$ 5,358,000	$ 5,079,000
Automotive	4,181,000	3,849,000
Engineered materials	2,786,000	2,993,000
Corporate & unallocated	18,000	21,000
Total	$ 12,343,000	$ 11,942,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.80	—	—
1989	1.80	—	—
1988	1.80	—	—
1987	1.80	—	—
1986	7.07 *	—	—

* Including special distribution of $5.27 per share.

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 3,380,000	$ 25.10
1989	3,412,000	23.53
1988	3,268,000	22.09
1987	3,129,000	20.87
1986	3,670,000 ‡	21.06

‡ After allowing for preferred stock series at stated value.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 12,343,000	$ 11,942,000
Cost of sales	10,226,000	9,663,000
Expenses	1,387,000	1,333,000
Oper. profit	$ 730,000	$ 946,000
Other income	(49,000)	(66,000)
Interest expense	278,000	316,000
Income before taxes	$ 501,000	$ 696,000
Income taxes	140,000	241,000
Eq. in income of affil. cos.	(101,000)	(73,000)
Net Income	$ 462,000	$ 528,000

* Included in Cost and Expenses, Depreciation and Amortization: $460,000,000 in 1990 and $424,000,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 382,000	$ 525,000
Accts. & notes receiv., net	1,452,000	1,443,000
* Inventories	2,168,000	2,063,000
Other curr. assets	314,000	320,000
Current Assets	$ 4,316,000	$ 4,351,000
Invest. & long-term receiv.	1,139,000	996,000
# Fixed assets	3,584,000	3,321,000
Cost in exc. of assets acq.	1,107,000	1,318,000
Other assets	310,000	356,000
Total Assets	$ 10,456,000	$ 10,342,000

Liabilities
(000's)

Accts. payable	$ 1,256,000	$ 1,132,000
Short-term borrowings	564,000	259,000
Long-term debt, curr.	133,000	220,000
Accruals	1,471,000	1,675,000
Curr. Liabilities	$ 3,424,000	$ 3,286,000
Long-term debt	2,051,000	1,903,000
Deferred inc. taxes	673,000	873,000
Other liabilities	928,000	868,000
+ Common stock	179,000	179,000
Add. paid-in capital	2,568,000	2,568,000
Retained earnings	2,113,000	1,923,000
Treasury stock	(1,578,000)	(1,266,000)
Currency trans. adj.	98,000	8,000
Total Liabilities & Shareholders' Equity	$ 10,456,000	$ 10,342,000

* At lower of cost (LIFO, FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	4.06	5.83
% Net Income to Sales	3.74	4.42
% Net Income to Equity	13.67	15.47
Sales to Inventories	5.69	5.79
Debt to Equity	0.81	0.70
Working Capital	$ 892,000,000	$ 1,065,000,000
Current Ratio	1.26	1.32
Shareholders' Equity	$ 3,380,000,000	$ 3,412,000,000

ALLTEL Corporation

100 Executive Parkway
Hudson, Ohio 44236
(216) 650-7000

Officers: Weldon W. Case, chairman of the board; Joe T. Ford, president & chief exec. officer; Max E. Bobbitt, exec. v.p. & chief financial officer; Frederick G. Griech, exec. v.p.-telephone operations; John T. Dunbar, sr. v.p.-non-regulated operations; Dennis J. Ferra, v.p. & controller; Tom T. Orsini, v.p.-corporate planning; Ronald D. Payne, v.p.-investor relations; Nick F. Arena, treasurer; George C. McConnaughey, secretary.

Directors: Weldon C. Case, chairman of the board; Joe T. Ford, Charles W. Miller, Ben W. Agee, Alfred E. Campdon, T.H. Davis, Frederick J.W. Heft, Emon A. Mahony, Jr., George C. McConnaughey, John H. McConnell, Walter G. Olson, Philip F. Searle, Carl H. Tiedemann, Hugh R. Wilbourn, Jr., William H. Zimmer, Jr.

Areas of Work: The Company's telephone operating subsidiaries provide local service, long-distance and network access in 25 states. In addition, the Company supplies natural gas in 3 states. Manufacturing includes the production of air traffic control communications equipment and marine communications and navigaiton equipment. Distribution sells equipment and materials to affiliated and non-affiliated telephone companies and related industries and electrical and electronic wire and cable to other distributors and wholesalers. Other operations primarily include cellular mobile telephone service, wide area paging, and directory publishing.

Subsidiaries:

CP National Corporation
ALLTEL Mobile Communications, Inc.
ALLTEL Distribution, Inc.
ALLTEL Supply, Inc.
HWC Distribution Corporation

Transfer Agent(s):

Ameritrust Company, N.A.
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): New York, Pacific

Ticker Symbol: AT

Number of Employees

1989	7,919	1987	7,545
1988	7,532		

Sales & Earnings

	Revenues	Net Income
1989	$ 1,225,607,000	$ 153,922,000
1988	1,068,480,000	125,039,000
1987	988,836,000	122,010,000
1986	943,610,000	77,574,000
1985	922,414,000	91,228,000

	No. of Com. Shares +	Earn. per Share +
1989	65,408,000	$ 2.32
1988	63,041,000	1.94
1987	62,655,000	1.90
1986	60,507,000	1.21
1985	57,059,000	1.51

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Telephone		
Local service	$ 234,119	$ 226,016
Network access	344,806	299,221
Long distance	104,678	96,120
Miscellaneous	117,972	115,064
Gas	40,716	42,183
Manufacturing	57,756	62,175
Distribution	261,249	147,873
Other operations	64,311	79,828
Total	$ 1,225,607	$ 1,068,480

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.18	—	3-for-2
1988	1.05	—	—
1987	0.93	—	—
1986	0.88	—	—
1985	0.83	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity #	Equity Per Share +
1989	$ 884,067,000	$ 13.52
1988	$ 779,395,000	12.36
1987	719,988,000	11.49

After allowing for preferred stock at stated value.
+ Based on the weighed average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Revenues and sales	$ 1,225,607	$ 1,068,480
Cost of sales	305,544	242,942
Expenses		
Operations	316,881	272,688
Maintenance	105,602	101,146
Depreciation & amortization	165,146	154,537
Other taxes	44,713	47,151
Other income	(2,158)	(9,532)
Interest charged to construc.	(1,231)	(1,440)
Interest expense	70,877	64,690
Loss on invest. & merger exp.	—	4,504
Income before taxes	$ 220,233	$ 191,794
Income taxes	66,311	66,755
Net Income	$ 153,922	$ 125,039

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 29,075	$ 36,066
Accts. & notes receiv., net	189,332	171,066
Materials and supplies	21,254	23,451
*Inventories	68,429	34,907
Prepaid expenses	9,573	8,032
Current Assets	$ 317,663	$ 273,522
Investments	157,118	149,581
Esc. of cost over eq. in subsid. cos.	240,849	126,434
#Fixed assets	1,614,526	1,552,510
Other assets	48,949	51,039
Total Assets	$ 2,379,105	$ 2,153,086

Liabilities
(000's)

	1989	1988
Notes payable	$ —	$ 9,400
Long-term debt, curr.	35,801	42,481
Accts. payable	100,852	87,321
Adv. billings & cust. deposits	17,714	16,363
Accrued taxes	29,020	33,096
Accrued interest	94,393	77,313
Other current liabilities	43,858	48,368
Current Liabilities	$ 321,638	$ 314,342
Long-term debt	798,958	675,078
Invest. tax credit	68,534	76,993
Income taxes	269,782	269,365
Redeem. pref. stock	26,093	27,685
+Preferred stock	10,033	10,228
++Common stock	66,271	42,311
Add. paid-in capital	357,481	348,021
Common stock plans	—	2,481
Retained earnings	460,315	386,582
Total Liabilities & Shareholders' Equity	$ 2,379,105	$ 2,153,086

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $25 par value, Series A-J, no par, Series C, cumulative.
++ $1 par value.

Statistical Summary

	1989	1988
% Income bef. Taxes to Sales	17.97	17.95
% Net Income to Sales	12.56	11.70
% Net Income to Equity	17.22	15.84
Debt to Equity	0.93	0.92
Shareholders Equity	$ 894,100,000	$ 789,623,000

Alpha Industries, Inc.

20 Sylvan Road
Woburn, Massachusetts 01801
(617) 935-5150
FAX: (617) 935-4939

Officers: George S. Kariotis, chairman & chief executive officer; Martin J. Reid, president & chief operating officer; William A. Krein, v.p. & chief financial officer; Robert F. Goldwasser, sr. v.p.; Donald E. Paulson, secretary; Paul E. Vincent, controller; John A. Hanna, Jr., asst. treasurer.

Directors: George S. Kariotis, chairman & chief executive officer; John M. Dempsey, Jr., Timothy X. Cronin, Martin J. Reid, Ray Shamie, Gerald T. Cameron, Sr., Arthur Pappas.

Areas of Work: Supplies microwave ferromagnetic/dielectric materials and semiconductor devices, components and subsystems which are sold to manufacturers of sophisticated electronic systems. These products generate, amplify, detect and control microwave energy. The military defense market accounts for approximately 47% of Alpha's sales. Products include military radar, ECMs (electronic countermeasures) equipment, missile guidance and communications systems.

Divisions and Subsidiaries:

C.F.P. Holding Co., Inc.
20 Sylvan Road
Woburn, Massachusetts 01801
(617) 935-5150
Real estate.

Semiconductor Division
Woburn, Massachusetts
Microwave semiconductor devices and modules.

Advanced Technology Division
Methuen, Massachusetts
Microwave and millimeter wave antennas, components, and subsystems, and gallium arsenide integrated circuits.

Microwave Components Division
Lawrence, Massachusetts
Solid state control components.

TRG-Millimeter Wave Division
Develops millimeter wave monolithic multifunction assemblies.

Central Microwave Company
Maryland Heights, Missouri
Produces gallium arsenide millimeter and microwave signal sources.

Trans-Tech, Inc.
Adamstown, Maryland
Microwave ceramic materials.

Alpha Industries (U.S.A.), Ltd.
England

Alpha Industries GmbH
Germany

Alpha Industries FSC, Inc.
U.S. Virgin Islands

Alpha Securities Corporation
Alpha Telecommunications, Inc.
Alpha DISC, Inc.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: AHA

Number of Employees:

1990	960	1987	1,160
1989	1,025	1986	1,370
1988	1,030		

Plant Footage:

1990	371,100 sq. ft.	1987	409,100
1989	363,100	1986	N.A.
1988	409,100		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 64,684,000	$ (15,075,000)
1989	65,488,000	139,000
1988	62,215,000	(3,203,000)
1987	70,083,000	(818,000)
1986	70,996,000	(876,000)

	No. of Com. Shares #	Earn. per Share #
1990	7,162,000	$ —
1989	7,162,000	0.02
1988	7,162,000	—
1987	7,145,000	—
1986	7,131,000	—

( ) Loss
Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1990	$	—	—	—
1989		—	—	—
1988		—	—	—
1987		—	—	—
1986		0.025	—	—

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	35,906,000	$	5.01
1989		50,979,000		7.12
1988		50,840,000		7.10
1987		53,923,000		7.55
1986		54,667,000		7.67

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended March 31		1990		1989
Net sales	$	64,684,000	$	65,488,000
Cost of sales		52,035,000		48,432,000
Expenses		16,487,000		17,225,000
Restruc. expense		11,431,000		—
Interest expense		594,000		821,000
Interest income		(354,000)		(627,000)
Other expense (income)		436,000		(687,000)
Inc. (loss) bef. taxes	$	(15,945,000)	$	324,000
Income taxes (credit)		(870,000)		110,000
Minority interest		—		75,000
Net Income (Loss)	$	(15,075,000)	$	139,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,310,000 in 1990 and $5,303,000 in 1989.

Assets

As of March 31		1990		1989
Cash & temp. invest.	$	4,869,000	$	10,496,000
Accts. receiv., net		10,756,000		12,317,000
•Inventories		9,810,000		10,752,000
Prop. held for resale		720,000		—
Prepaid expense		502,000		757,000
Current Assets	$	26,657,000	$	34,322,000
≠Fixed assets		32,470,000		35,604,000
Other assets		258,000		332,000
Total Assets	$	59,385,000	$	70,258,000

Liabilities

		1990		1989
Long-term debt, curr.	$	311,000	$	307,000
Accts. payable		3,376,000		3,049,000
Restruc. reserve		6,557,000		—
Accrued payroll		4,020,000		2,897,000
Other accruals		3,052,000		3,798,000
Curr. Liabilities	$	17,316,000	$	10,051,000
Long-term debt		5,664,000		5,974,000
Other liab. & min. interest		499,000		1,898,000
Deferred inc. taxes		—		1,356,000
+Common stock		1,859,000		1,858,000
Add. paid-in capital		26,388,000		26,387,000
Retained earnings		7,936,000		23,011,000
Treasury stock		(277,000)		(277,000)
Total Liabilities & Shareholders' Equity	$	59,385,000	$	70,258,000

• At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales		—		0.49
% Net Income to Sales		—		0.21
% Net Income to Equity		—		0.27
Sales to Inventories		6.59		6.09
Debt to Equity		0.17		0.12
Working Capital	$	9,341,000	$	24,271,000
Current Ratio		1.54		3.41
Shareholders' Equity	$	35,906,000	$	50,979,000

Altos Computer Systems

(A private company.)

2641 Orchard Parkway
San Jose, California 95134
(408) 432-6200
FAX: (408) 434-6651

Officers: David Jackson, chairman, president & chief exec. officer; Ronald Conway, exec. v.p.-sales & marketing; David Zacarias, chief operating and financial officer; Colin Goble, v.p.-software products; Edgard Taureau, sr. exec. v.p. & pres.-Altos European Operations; Michael Williams, corp. secretary; Colin Nayler, v.p.-Hardware Engineering; Aziz Valliani, v.p.-engineering; Robert D. DeHaven, v.p.-business development; Ted Drysdale, v.p.-U.S. Sales & Marketing.

Directors: David Jackson, chairman; David Zacarias, Susan Jackson, Donald E. Lundgren, Wilfred J. Corrigan.

Areas of Work: Designs, manufactures and markets multi-user microcomputer systems and software for a variety of business applications.

Subsidiaries:

Altos Computer Systems International
Altos International
San Jose, California

Altos Computer Systems Limited
England

Australian Altos Systems Pty. Limited
New South Wales, Australia

Altos Computer Systems GmbH
West Germany

Altos Computer Systems, S.A.R.L.
France

Altos Computer Systems A/S
Denmark

Altos Foreign Sales Corporation
Barbados

Altos Computer Systems S.R.L.
Italy

Altos Computer Systems AB
Sweden

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALTO (NASDAQ)

Number of Employees:

1989	550	1987	782
1988	872	1986	718

Plant Footage:

1989	170,000 sq. ft.	1987	169,000
1988	210,455	1986	157,000

Sales & Earnings

		Net Sales		Net Income
1989	$	139,862,000	$	(4,985,000)
1988		175,854,000		22,203,000
1987		153,936,000		9,668,000
1986		134,189,000		20,250,000
1985		124,445,000		10,398,000

		No. of Com. Shares ‡		Earn. per Share ‡
1989		11,675,000	$	—
1988		12,496,000		1.78
1987		13,266,000		0.73
1986		14,346,000		1.41
1985		14,915,000		0.70

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share ‡
1989	$	108,097,000	$	9.26
1988		116,882,000		9.35
1987		106,124,000		8.00
1986		102,393,000		7.14
1985		100,320,000		6.73

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended		6/24/89		6/25/88
Net sales	$	139,862	$	175,854
Cost of sales		94,130		101,652
Expenses		61,929		62,997
Restruc. expenses		1,604		—
Interest income		(354)		(623)
Gain on sale of invest.		(9,492)		(23,533)
Inc. (loss) bef. taxes	$	(7,955)	$	35,361
Income taxes (credit)		(2,970)		13,158
Net Income (Loss)	$	(4,985)	$	22,203

* Included in Costs and Expenses, Depreciation and Amortization: $4,513,000 in 1989 and $5,559,000 in 1988.

Assets
(000's)

As of		6/24/89		6/25/88
Cash & cash equiv.	$	56,075	$	70,022
Accts. receiv., net		30,582		41,010
• Inventories		24,113		28,047
Prepaid inc. taxes		3,809		2,501
Other curr. assets		4,639		5,979
Current Assets	$	119,218	$	147,559
≠ Fixed assets		33,405		34,614
Intangibles & other assets		1,792		4,926
Total Assets	$	154,415	$	187,099

Liabilities
(000's)

		6/24/89		6/25/88
Notes payable	$	269	$	2,745
Long-term debt, curr.		1,990		2,017
Accts. payable		10,031		15,848
Accrued payroll		4,110		4,767
Deferred revenue		1,828		1,624
Other accruals		6,202		6,781
Income taxes		—		12,166
Curr. Liabilities	$	24,430	$	45,948

Long-term debt		20,276		22,174
Deferred inc. taxes		1,260		1,348
Minority interest		352		747
+ Common stock		28,496		28,536
+ Junior common stock		128		128
Retained earnings		80,142		88,626
Translation adjust		(541)		(280)
Shareholder notes receiv		(128)		(128)
Total Liabilities & Shareholders' Equity	$	154,415	$	187,099

* At lower of standard cost or market
# Less accumulated depreciation and amortization
+ No par value

Statistical Summary

% Income bef. Taxes to Sales		—		20.11
% Net Income to Sales		—		12.63
% Net Income to Equity		—		19.00
Sales to Inventories		5.80		6.27
Debt to Equity		0.21		0.23
Working Capital	$	94,788,000	$	101,611,000
Current Ratio		4.88		3.21
Shareholders' Equity	$	108,097,000	$	116,882,000

AM International

333 West Wacker Drive
Chicago, Illinois 60606
(312) 558-1966
FAX (312) 558-7965

Officers: Merle H. Banta, chairman, president & chief exec. officer; George H. Gilmore, v.p. & pres.-AM Multigraphics; John C. Ambrister, sr. v.p., secretary & gen. counsel; Morton Rible, sr. v.p.-human resources & administration; Marion G. Durk, v.p.-corp. relations; Thomas J. Gavin, v.p.-taxes; Thomas D. Rooney, v.p. & corp. controller; Anthony Spier, v.p. & pres.-AM Burning; Steven F. Kaplan, sr. v.p., chief financial officer & chief strategic officer; Richard Bonnie, v.p. & pres.-AM Graphics.

Directors: B. Charles Ames, Charles S. Arledge, Norman E. Auerbach, Stephen F. Hinchliffe, Jr., Carl Kaysen, George Kelm, Theodore Levitt, Merle H. Banta, James M. Reed, Richard J. Pearson.

Areas of Work: The Company's products, supplies and service offerings are concentrated in four principal categories. Design and Display products include computer-aided design (CAD) pen plotters and scanners. Reproduction products include offset duplicators, diazo copiers, plain paper copiers, and printers; Finishing products include bindery equipment, folders, collators, and inserters, and Support products include engineering supplies – such as digital type, plates, ink, coated paper – and related training and technical services.

Divisions:

Bindery and Forms Press Division
4900 Webster Street
Dayton, Ohio 45414
(513) 278-2651

Bruning Division
1800 Bruning Drive West
Itasca, Illinois 60143
(312) 351-2900

International Division
Two Continental Towers
1701 Golf Road, Suite 308
Rolling Meadows, Illinois 60008
(312) 952-2190

Multigraphics Division
1800 West Central Road
Mt. Prospect, Illinois 60056
(312) 398-1900

Subsidiaries:

AM International, Inc. (Canada)
Canada

AM International Limited
Addressograph Multigraph Ltd
New Zealand

AM International Pty. Ltd.
Addressograph-Multigraph Pty. Ltd.
Tetota Pty. Ltd.
Australia

AM Disco, Inc.
AM Foreign Sales Corporation
AM International Export Corporation
AM Export Corporation
AM Distribution Services Corporation

AM International A.G.
Switzerland

AM International, (Pty.) Limited
South Africa

AM International, S.A. Spain
Spain

AM International (Holdings) Limited
Admel International Limited
AM Admel Limited
AM Jacquard Systems, Ltd.
AM International Information Systems Limited
Addressograph-Multigraph Limited
AM International Leasing Ltd.
Great Britain

AM International G.m.b.H.
AM Bruning G.m.b.H.
West Germany

AM International Corporation N.V.
Netherlands Antilles

Grafcon Corporation
Multigraphics Advertising Corporation

Addressograph-Multigraph Corporation
AM International Leasing Corporation
AM Finance Canada Ltd.
AM Puerto Rico, Inc.
AM International (Denmark) A.S.
AM International (Finland) OY
AM Japan Company, Ltd. (67% owned)
AM International S.A. de C.V. (Mexico)
AM International B.V. (Netherlands)
AM International AB (Sweden)
AM International S.A. (France)
AM International S.A./N.V. (Belgium)
Addressograph-Multigraph Limited (Zambia)

AM Holdings, Inc.

Bruning Computer Graphics
Manufacturers and distribates pen plotters.

Wohlenberg KG
West Germany
Manufacturer of graphics equipment products and machine tools.

Transfer Agent(s):

First Chicago Trust Company of New York
Stock Transfer Department
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Pacific, Midwest

Ticker Symbol: AM

Number of Employees:

1990	7,436	1987	11,968
1989	7,523	1986	12,703
1988	7,518		

Plant Footage:

1990	N.A.	1987	1,942,100
1989	N.A.	1986	1,858,000
1988	2,124,100 sq. ft.		

N.A. – Not Available

Sales & Earnings

		Revenues +		Net Income †
1990	$	876,545,000	$	(41,532,000)
1989		850,578,000		31,008,000
1988		820,709,000		(20,370,000)
1987		747,228,000		12,849,000
1986		536,493,000		4,688,000

	No. of Com. Shares ‡		Earn. per Share † ‡
1990	48,668,000	$	—
1989	51,371,000		0.47
1988	51,821,000		—
1987	51,793,000		0.11
1986	41,653,000		0.04

(Loss)
+ Of continuing operations only
† Including extraordinary gain of $1,100,000 ($0.03 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity ‡		Equity Per Share #
1990	$	97,351,000	$	2.00
1989		156,907,000		3.05
1988		146,222,000		2.82
1987		173,011,000		3.34
1986		161,590,000		3.88

‡ After allowing for preferred stock at aggregate liquidation preference.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended July 31		1990		1989
Revenues				
Machines & supplies	$	667,294	$	651,782
Service		209,251		198,796
Total revenues	$	876,545	$	850,578
Cost of sales		609,639		558,102
Expenses		257,469		244,113
Patent licensing inc.		(10,000)		—
Strategy implement. prog.		40,000		—
Interest income		(2,322)		(4,493)
Interest expense		19,593		16,268
Other expense		2,948		4,053
Inc. (loss) bef. taxes	$	(40,782)	$	32,535
Income taxes		750		1,527
Net Income (Loss)	$	(41,532)	$	31,008

* Included in Costs and Expenses. Depreciation and Amortization: $21,363,000 in 1990 and $20,083,000 in 1989.

Assets
(000's)

As of July 31		1990		1989
Cash & cash equiv.	$	50,125	$	63,671
Accts. receiv., net		182,197		174,134
*Inventories		171,143		142,079
Prepaid expenses		13,129		11,685
Current Assets	$	396,594	$	391,769
#Fixed assets		72,062		63,073
Cost in exc. of assets acq.		182,355		137,634
Other assets		26,725		22,703
Total Assets	$	677,736	$	615,179

AM International

Liabilities
(000's)

Short-term borrowings	$ 80,971	$ 17,073
Accts. payable	92,140	80,991
Service contract deferred inc	46,470	43,030
Payroll expenses	37,435	40,434
Other current liabilities	69,515	44,892
Curr. Liabilities	$ 326,531	$ 226,420
Long-term debt	92,131	104,116
Other liabilities	75,473	41,486
+Preferred stock	35	35
++Common stock	523	518
Add. paid-in capital	340,754	338,501
Retained earnings (deficit)	(120,011)	(71,579)
Notes receiv. from officers	(4,019)	(4,211)
Treasury stock	(23,306)	(7,019)
Deferred compensation	(7,081)	(4,008)
Cum. trans. adjust.	(3,294)	(9,080)
Total Liabilities & Shareholders' Equity	$ 677,736	$ 615,179

• At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.01 par value, $2 convertible exchangeable
++ $0.01 par value

Statistical Summary

% Income bef. Taxes to Revenues	—	3.83
% Net Income to Revenues	—	3.65
% Net Income to Equity	—	12.75
Debt to Equity	0.94	0.50
Working Capital	$ 70,063,000	$ 165,349,000
Current Ratio	1.21	1.73
Shareholders' Equity	$ 183,601,000	$ 243,157,000

Amdahl Corporation

(44%-owned by Fujitsu Limited)

1250 East Arques Avenue
Sunnyvale, California 94088-3470
(408) 746-6000
FAX: (408) 773-0833

Officers: John C. Lewis, chairman of the board & chief executive officer; Eugene R. White, vice chairman; E. Joseph Zemke, president & chief operating officer; Edward F. Thompson, v.p., chief financial officer & secretary; William F. O'Connell, Jr., sr. v.p.-corporate strategy; Bruce O. Beebe, sr. v.p.-product operations; David M. Brewer, v.p.-processor products; Michael R. Clements, chief technical officer & v.p.-advanced development; Joseph J. Francesconi, sr. v.p.-open systems operations; E. Ted Springstead, sr. v.p.-marketing operations & services; Anthony M. Pozos, sr. v.p.-human resources & corp. services; William Flanagan, v.p.-manufacturing; Ernest B. Thompson, v.p. & controller; David L. Beamer, v.p.-corp. marketing; O. J. Nutt, v.p. & general mgr.-U.S. operations; David L. Anderson, v.p.-advanced systems; William F. Ferone, v.p.-open systems marketing; Eric L. Miles, v.p.-systems software; Oscar A. Rosenbloom, asst. secretary; Paul B. Hamilton, asst. controller; G. Gregory Handschuh, assistant secretary; R. Guy Kraines, assistant treasurer; John W. Luhtala, assistant controller; Gordon Undy, general mgr.-Pacific Basin Operations; Peter V. Williams, chairman-European Operations; Mornay R. Mahoney, v.p. & general mgr.-European Operations; Ronald S. Smith, president-Amdahl Canada Limited.

Directors: John C. Lewis, chairman; E. F. Heizer, Jr.; Burton G. Malkiel; Walter B. Reinhold; R. Stanley Laing; J. Sidney Webb; Yoshinao Hirose; George R. Packard; Kazuo Watanabe; Eugene R. White; E. Joseph Zemke; Yasushi Nakamura.

Areas of Work: Designs, develops, manufactures, markets and services large-scale, high-performance, general purpose and scientific computer systems including powerful mainframe computers, storage products and communications systems. The company also develops software and provides educational and consulting services.

Divisions and Subsidiaries:

Amdahl Canada Limited
1 First Canadian Place, 5th Floor
P.O. Box 123
Toronto, Ontario M5X 1A4, Canada
(416) 862-7479

Amdahl International Management Services Ltd.
Dogmersfield Park
Hartley Wintney
Hampshire RG27 8TE, England

Amdahl Belgium S.A./N.V.
360 Boulevard du Souverain, bte 7
Versttlaann 360B7
1160 Brussels, Belgium

Amdahl Danmark Computer Systems A/S
Sundkrogsgade 2
DK-2100 Kodenhaven oe, Denmark

Amdahl Deutschland GmbH
Arabelia Strasse 21
D-8000 Muenchen 81, West Germany

Amdahl Nederland B.V.
Weg der Verenigde Naties 1
P.O. Box 8480
Utrecht, The Netherlands

Amdahl France S.A.
1 Rond Point Victor Hugo
92137 Issy Les Moulineaux Cedex
Paris, France

Amdahl Italia, S.p.A.
Viale Castello
Della Magliana, 75
Rome 00148, Italy

Amdahl Norge A/S
Brynsveien 3
P.O. Box 6221
Etterstad, 0603, Oslo 6, Norway

Amdahl Svenska AB
Svardvagen 11
S-182 12 Danderyd, Stockholm, Sweden

Amdahl Schweiz AG
Baumacherstrasse 46
CH-8050 Zurich, Switzerland

Amdahl Ireland, Limited
Balheary Industrial Park
Swords, County Dublin, Ireland

Amdahl (U.K.) Limited
Viking House
29/31 Lampton Road
Hounslow, Middlesex TW3 1JD, England

Amdahl Computer Systeme
Gesellshaft m.b.h. (Austria)
Alserbachstr 16 A-1190 Wien
Austria

Amdahl Australia Pty Ltd.
Number 1 Pacific Highway
North Sydney NSW 2060, Australia

Amdahl International Hong Kong
3804-06, 38/F
Bond Centre/West Tower
89 Queensway, Hong Kong

Amdahl International Singapore
152 Beach Rd.
#22-06/08 Gateway East
Singapore 0718

Amdahl International New Zealand
DFC Harbour Tower, Level 16
2 Hunter Street, P.O. Box 5004
Wellington, New Zealand

Amdahl Pacific Basin Operations, Inc.
22nd Floor, CP Tower
313 Silom Road
Bankok, 10330, Thailand

Transfer Agent(s):

Bank of America, NT & SA
San Francisco, CA; New York, New York

Stock Exchange(s): American, London

Ticker Symbol: AMH

Number of Employees:

1990	8,700	1987	7,650
1989	8,300	1986	7,200
1988	8,300		

Plant Footage:

1990	3,109,000 sq. ft.	1987	2,292,000
1989	2,847,000	1986	2,149,000
1988	2,492,000		

Sales & Earnings

	Revenues	Net Income ‡
1990	$ 2,158,755,000	$ 183,954,000
1989	2,101,121,000	152,972,000
1988*	1,801,807,000	219,039,000
1987	1,505,160,000	145,407,000
1986	96[illegible],349,000	41,829,000

	No. of Com. Shares #	Earn. per Share ‡ #
1990	110,426,000	$ 1.66
1989	109,894,000	1.39
1988*	108,812,000	2.01
1987	105,133,000	1.38
1986	97,702,000	0.43

• 53 weeks
‡ Including extraordinary gains of $9,500,000 ($0.09 per share) in 1988, $4,000,000 ($0.04 per share) in 1987 and $2,500,000 ($0.03 per share) in 1986
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

	1990	1989
Processors	$ 1,358,000	$ 1,457,000
Storage products	342,000	258,000
Communications products	68,000	72,000
Maintenance services	357,000	285,000
Software & education svcs.	34,000	29,000
Total	$ 2,159,000	$ 2,101,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.10	—	—
1989	0.10	—	—
1988	0.10	—	2-for-1
1987	0.10	—	—
1986	0.10	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 1,370,627,000	$ 12.41
1989	1,175,959,000	10.70
1988	1,011,073,000	9.29
1987	770,208,000	7.33

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/28/90	12/29/89
Revenues		
Equip. sales	$ 1,726,786	$ 1,727,154
Equip. lease	431,969	373,967
Total revenues	$ 2,158,755	$ 2,101,121
Cost of revenues	1,239,573	1,269,989
Expenses	660,169	614,013
Interest income	(61,456)	(52,600)
Interest expense	13,965	14,547
Income before taxes	$ 306,504	$ 255,172
Income taxes	122,550	102,200
Net Income	$ 183,954	$ 152,972

* Included in Costs and Expenses. Depreciation and Amortization: $148,128,000 in 1990 and $124,794,000 in 1989.

Assets
(000's)

As of	12/28/90	12/29/89
Cash & cash equiv.	$ 239,186	$ 496,111
Short-term invest.	353,700	66,500
Receivables	504,944	580,640
*Inventories	413,838	421,254
Prepaid expenses & def. tax benefit	83,259	105,108
Current Assets	$ 1,594,927	$ 1,669,613
Long-term receiv.	110,800	30,344
#Fixed assets	621,040	533,709
Total Assets	$ 2,326,767	$ 2,233,666

Liabilities
(000's)

Notes pay. & short-term debt	$ 31,116	$ 43,349
Accts. payable	59,072	36,103
Accts. pay.-stockholder	181,604	182,590
Accrued liabilities	421,772	563,174
Curr. Liabilities	$ 693,564	$ 825,216
Long-term debt	59,893	87,085
Deferred inc. taxes	202,683	145,376
+Common stock	5,509	5,443
Add. paid-in capital	472,249	461,107
Retained earnings	871,965	698,961
Cum. trans. adjust.	20,904	10,478
Total Liabilities & Shareholders' Equity	$ 2,326,767	$ 2,233,666

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ 0.05 par value.

Statistical Summary

% Income bef. Taxes to Revenues	14.20	12.14
% Net Income to Revenues	8.52	7.28
% Net Income to Equity	13.42	13.01
Debt to Equity	0.07	0.11
Working Capital	$ 901,363,000	$ 844,397,000
Current Ratio	2.30	2.02
Shareholders' Equity	$ 1,370,627,000	$ 1,175,989,000

American Precision Industries Inc.

2777 Walden Avenue
Buffalo, New York 14225
(716) 684-9700
FAX: (716) 684-2129

Officers: Robert J. Fierle, president; Richard P. Becht, exec. v.p.-administration; John M. Murray, v.p.-finance & treasurer; James W. Bevevino, exec. v.p.-operations; Donald C. McElheny, corp. v.p.; pres.-Electronic Components Group; Richard S. Warzala, corp. v.p.; president-Controls Div.; Rudolph Kristich, president-Heat Transfer Group; Thomas M. Huebsch, controller; Leslie A. Marotto, secretary; S. David Wegner, v.p.-human resources.

Directors: Robert J. Fierle, chairman; Clark Daugherty, Bernard J. Kennedy, William P. Panny, John M. Albertine, Douglas J. MacMaster, Jr., Thomas R. Horton.

Areas of Work: Designs and manufactures ultraprecision mechanisms for industry and government. The Industrial Process Equipment segment of the business produces heat transfer products for manufacturers of gas compressors, steam and gas turbines, diesel engines, compressed air dryers, air conditioning equipment and hydraulic systems. The Electronic Components segment manufactures and sells high reliability micro-miniature coils, electromagnetic clutches and brakes, step motors, and controllers to the industrial, computer, telecommunications, military, aerospace and business machine markets.

Divisions:

ELECTRONIC COMPONENTS GROUP

Delevan Division
270 Quaker Road
East Aurora, New York 14052
(716) 652-3600

Surface Mounted Devices Division
95 North Street
Arcade, New York 14009
(716) 496-6052

HEAT TRANSFER EQUIPMENT GROUP

Air Technologies Division
274 Sandusky Road
Arcade, New York 14009
(716) 496-5755

Basco Division
2777 Walden Avenue
Buffalo, New York 14225
(716) 684-6700

MOTION CONTROLS GROUP

Controls Division
4401 Genesee Street
Buffalo, New York 14225
(716) 631-9800

Deltran Division
4401 Genesee Street
Buffalo, New York 14225
(716) 631-9800

Rapidsyn Division
3229 Roymar Road
Oceanside, New York 92054
(619) 439-7500

SUBSIDIARIES:

American Precision Industries (U.K.) Ltd.
Aldwych House
Aldwych
London WC2B 4JP, England

API Development Corporation
2777 Walden Avenue
Buffalo, New York 14225

API-FS Corporation
5 Norre Gade
St. Thomas U.S. Virgin Islands

API of Canada Inc.
698 Wilson Avenue
Kitchener, Ontario N2C 1H9 Canada

Nitta-Apitron Co., Ltd. (50% owned)
55-1 2chome,Honmachi, Higashi-Ku
Osaka 541
Japan

Transfer Agent(s):

Ameritrust Company National Association
Cleveland, Ohio

Stock Exchange(s): American

Ticker Symbol: APR

Number of Employees:

1990	700	1987	840
1989	775	1986	670
1988	866		

Plant Footage:

1990	N.A.	1987	253,800
1989	296,000 sq.ft.	1986	253,800
1988	272,500		

N.A.-Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 48,640,000	$ 3,346,000
1989	52,379,000	4,499,000
1988	49,731,000	3,571,000
1987	37,609,000	1,611,000
1986*	34,469,000	813,000

	No. of Com. Shares +	Earn. per Share #
1990	7,362,000	$ 0.46
1989	7,317,000	0.62
1988	7,306,000	0.49
1987	7,258,000	0.22
1986	7,232,000	0.11

* 53 weeks.
+ Adjusted to reflect stock splits.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1990	1989
Indust. process equip.	$ 24,890,000	$ 24,135,000
Electronic products	22,829,000	27,450,000
General corporate	921,000	794,000
Total	$ 48,640,000	$ 52,379,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.175	—	5-for-4
1989	0.154	—	—
1988	0.134	—	5-for-4
1987	0.125	—	—
1986	0.110	—	3-for-2

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 27,695,000	$ 3.76
1989	25,713,000	3.51
1988	22,071,000	3.02
1987	19,519,000	2.69
1986	18,719,000	2.59

† Adjusted to reflect stock splits.

American Precision Industries Inc.

Income Account *

Year ended	12/28/90	12/29/89
Revenues	$ 48,640,000	$ 52,379,000
Cost of revenues	31,550,000	33,176,000
Expenses	11,427,000	12,201,000
Interest expense	516,000	452,000
Other income	(251,000)	(355,000)
Prov for restruc	546,000	—
Income before taxes	$ 4,852,000	$ 6,905,000
Income taxes	1,506,000	2,406,000
Net Income	$ 3,346,000	$ 4,499,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,358,000 in 1990 and $1,125,000 in 1989.

Assets

As of	12/28/90	12/29/89
Cash & cash equiv	$ 1,100,000	$ 1,453,000
Accts recev, net	7,359,000	8,267,000
Marketable secur	2,887,000	3,410,000
*Inventories	5,881,000	5,670,000
Prepaid expenses	1,415,000	1,403,000
Prepaid income taxes	306,000	174,000
Current Assets	$ 18,939,000	$ 20,377,000
Investments	7,603,000	6,369,000
#Fixed assets	8,176,000	7,742,000
Other assets	2,083,000	2,572,000
Total Assets	$ 36,801,000	$ 37,060,000

Liabilities

	12/28/90	12/29/89
Long-term debt, curr	$ 522,000	$ 656,000
Accts payable	2,374,000	2,411,000
Accrued payroll	761,000	1,344,000
Other accruals	435,000	291,000
Dividends payable	331,000	293,000
Income taxes	—	93,000
Curr Liabilities	$ 4,423,000	$ 5,088,000
Long-term debt	4,504,000	5,559,000
Other liabilities	179,000	700,000
+ Common stock	4,951,000	3,937,000
Add paid-in capital	9,044,000	9,768,000
Retained earnings	14,563,000	12,511,000
Unreal loss on market equity secur	(360,000)	—
Treasury stock	(503,000)	(503,000)
Total Liabilities & Shareholders' Equity	$ 36,801,000	$ 37,060,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation
+ $0.66 2/3 par value

Statistical Summary

	12/28/90	12/29/89
% Income before Taxes to Sales	9.98	13.30
% Net income to Sales	6.88	8.72
% Net Income to Equity	12.08	17.50
Sales to Inventories	8.27	9.10
Debt to Equity	0.18	0.24
Working Capital	$ 14,516,000	$ 15,289,000
Current Ratio	4.28	4.00
Shareholders' Equity	$ 27,695,000	$ 25,713,000

American Science and Engineering, Inc.

Fort Washington
Cambridge, Massachusetts 02139
(617) 868-1600
FAX (617) 354-1054

Officers: Martin Annis, chairman of the board, president & treasurer; Timothy I. Fillion, v p -engineering; James C Nemiah, clerk & general counsel

Directors: Martin Annis, chairman; Alvin S. Hochberg, Herman Feshbach, Ismael Escobar, Clayton R. Annis, Marie T. Spaulding, Ernest Moniz

Areas of Work: The company develops, manufactures and markets a wide range of x-ray products.

Divisions:

Instrument Systems Division
Cambridge, Massachusetts 02139
(617) 868-1600

Designs and manufactures high technology products including MICRO DOSE X-RAY Inspection Systems for the detection of contraband and X-Ray systems for medical instrumentation.

ASEP Division
Cambridge, Massachusetts 02139
(617) 868-1600

Produces load management systems under the trade name ASEP. This system is bidirectional, offers load status, automatic time-of-use metering, automatic load survey, and load control.

Space Division
Cambridge, Massachusetts

Designs and builds scientific equipment payloads for NASA, primarily in the field of X-Ray astronomy.

Subsidiary:

AS&E Radiography, Inc.

Transfer Agent(s):

American Stock Transfer and Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: ASE

Number of Employees:

1990	150	1987	249
1989	240	1986	285
1988	242		

Plant Footage:

1990	124,000 sq. ft.	1987	124,000
1989	124,000	1986	124,000
1988	124,000		

Sales & Earnings

	Total Revenues +	Net Income #
1990	$ 18,449,000	$ (2,092,000)
1989	24,804,000	400,000
1988	18,698,000	(1,332,000)
1987	20,127,000	(383,000)
1986	23,691,000	781,000

	No. of Com Shares ‡	Earn per Share #‡
1990	3,725,000	$ —
1989	3,724,000	0.11
1988	3,694,000	—
1987	3,694,000	—
1986	3,641,000	0.21

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $137,000 ($0.04 per share) in 1989 and $363,000 ($0.10 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
X-ray products	$ 17,379,000	$ 21,078,000
Control systems	1,070,000	3,726,000
Total	$ 18,449,000	$ 24,804,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 7,219,000	$ 1.94
1989	9,265,000	2.51
1988	8,858,000	2.40
1987	10,190,000	2.76
1986	10,076,000	2.78

Income Account *

Year ended March 31	1990	1989
Total revenue	$ 18,449,000	$ 24,804,000
Cost of sales & contracts	14,946,000	19,246,000
Expenses	5,649,000	5,279,000
Oper income (loss)	$ (2,146,000)	$ 279,000
Interest income	(90,000)	(179,000)
Other expense	36,000	16,000
Income (loss) bef taxes	$ (2,092,000)	$ 442,000
Income taxes	—	179,000
Net Income (Loss)	$ (2,092,000)	$ 263,000
Extraord gain	—	137,000
Net Income (Loss) & extraord gain	$ (2,092,000)	$ 400,000

* Included in Costs and Expenses, Depreciation and Amortization: $393,000 in 1990 and $415,000 in 1989.

Assets

As of March 31	1990	1989
Cash	$ 104,000	$ 418,000
Short-term invest	183,000	1,250,000
Accts recev, net	2,962,000	4,416,000
Note recev	—	743,000
Unbilled costs & fees	1,092,000	472,000
*Inventories	4,550,000	4,705,000
Prepaid expenses	81,000	114,000
Current Assets	$ 8,972,000	$ 12,118,000
#Fixed assets	993,000	901,000
Intangibles	209,000	238,000
Unbilled costs	618,000	469,000
Total Assets	$ 10,792,000	$ 13,726,000

Liabilities

	1990	1989
Accts payable	$ 973,000	$ 1,121,000
Accrued salary	649,000	596,000
Cust deposits	275,000	1,116,000
Accrued income taxes	41,000	174,000
Accrued warranty costs	332,000	323,000
Other accruals	427,000	204,000
Curr Liabilities	$ 2,697,000	$ 3,534,000
Deferred rent	390,000	374,000
Deferred compensation	134,000	130,000
Deferred gain	352,000	423,000
+Common stock	2,631,000	2,604,000
Add paid-in capital	11,483,000	11,367,000
Deficit	(6,504,000)	(4,412,000)
Treasury stock	(391,000)	(294,000)
Total Liabilities & Shareholders' Equity	$ 10,792,000	$ 13,726,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.66 2/3 par value

Statistical Summary

	1990	1989
% Income bef Taxes to Sales	—	1.78
% Net Income to Sales	—	1.06
% Net Income to Equity	—	2.84
Working Capital	$ 6,275,000	$ 8,584,000
Current Ratio	3.33	3.43
Shareholders' Equity	$ 7,219,000	$ 9,265,000

American Telephone & Telegraph Company

550 Madison Avenue
New York, New York 10022-3297
(212) 605-5500
FAX (212) 308-1820

Officers: Robert E Allen, chairman & chief executive officer; Morris Tanenbaum, vice chairman & chief financial officer; Randall L Tobias, vice chairman; Richard S Bodman, sr v p -corp strategy & development; W Frank Blount, group exec -communications products; Robert M Kavner, group exec -data systems & federal systems; Victor A Pelson, group exec -communications services; Ian M Ross, pres -AT&T Bell Laboratories; Sam R Willcoxon, group exec -international; John D Zeglis, sr v p -gen counsel & govt affairs; Harold W Burlingame, sr v p -human resources; Marilyn Laurie, sr v p -public relations & employee information; William B Marx, Jr, group exec -network systems

Directors: Philip M Hawley, Edward G Jefferson, Belton K Johnson, Rawleigh Warner, Jr, James H Evans, Juanita M Kreps, Donald S Perkins, Henry B Schacht, Thomas H Wyman, Louis V Gerstner, Jr, Robert Allen, Michael I Sovern, Morris Tanenbaum, Joseph D Williams, Donald F McHenry, Randall L Tobias, Walter Y Elisha, M Kathryn Eickhoff, Franklin A Thomas, Drew Lewis, C Perry Colwell, Roger F Davis, S Lawrence Prendergast, Robert E Scannell

Areas of Work: Operations in the global information movement and management industry involve the provision of long distance telecommunications services, and systems, products and services that combine communications and computers AT&T's operations in the financial services and leasing industry involve direct financing and finance leasing programs for AT&T products to customers under operating leases and being in the general -purpose credit and calling card business

Divisions and Subsidiaries:

AT&T Communications, Inc
Provides inter- and intrastate communication long distance services between telephone company boundaries as well as service to some 200 countries and territories around the globe

AT&T Technologies, Inc
Encompasses seven lines of business, including former subsidiary Western Electric These segments are AT&T Bell Laboratories, Network Systems, Information Systems, Consumer Products, Technology Systems, and AT&T International

American Transtech, Inc
Provides shareholder services

AT&T International, Inc

Bell Telephone Laboratories, Inc

AT&T Information Systems Inc

AT&T Resource Management Corporation

AT&T Credit Corporation

Actuarial Sciences Associates, Inc
Financial consulting services

AT&T Network Systems International (60%-owned)
The Netherlands
Designs, develops, manufactures and markets network systems products in Europe and elsewhere

AT&T Microelectronica de Espana S A (80%-owned)
Spain
Designs and produces custom integrated circuits for the European market

AT&T Ricoh Company, Ltd (51%-owned)
Japan
Manufactures a Japanese version of AT&T's Merlin II system

AT&T Taiwan Telecommunications Co, Ltd (70%-owned)
Taiwan
Manufactures switching systems

Paradyne Corporation
Develops, manufactures and services data communications equipment

Eaton Financial Corporation
An office equipment finance company

AG Communications Systems Corporation (49% owned)

Italtel S p A (20% owned)
Manufacturer of public and private telecommunications systems based in Italy

Istel Group Ltd
An information technology services company based in the United Kingdom

Sun Microsystems, Inc (19 2% owned)

Compagnie Industriali Riunite S p A (17 3% owned)
An Italian holding company with investments in information technologies, publishing, financial services and automotive components

Acquisitions:

PacifiCorp Financial Services, Inc

Western Union Corporation Business Services Group
Provides international and domestic telex, packet network and electronic messaging services

Transfer Offices:

American Transtech
P O Box 45048
Jacksonville, Florida 32232-5048

Stock Exchange(s): New York, Boston, Philadelphia, Pacific, Midwest, London, Paris, Zurich, Lausanne, Geneva, Tokyo, Amsterdam, Brussels

Ticker Symbol: T

Number of Employees:

1990	273,700	1987	303,000
1989	283,500	1986	316,900
1988	304,700		

Note On Jan 1, 1984, AT&T was required by Court order to divest those parts of the Bell System operating telephone companies that provided local exchange and exchange access services and printed directory advertising As a consequence of divestiture, current financial results are not comparable to those prior to 1984

Sales & Earnings

	Operating Revenues (000's)	Net Income (000's)
1990	$ 37,285,000	$ 2,735,000
1989	36,149,000	2,697,000
1988	35,218,000	(1,669,000)
1987	33,773,000	2,044,000
1986	34,213,000	139,000

	No of Com Shares #	Earn per Share #
1990	1,089,000,000	$ 2 51
1989	1,07[illegible]000,000	2 50
1988	1,075,000,000	—
1987	1,073,000,000	1 88
1986	1,071,000,000	0 05

(Loss)
Based on the average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1 20	—	—
1989	1 20	—	—
1988	1 20		
1987	1 20		
1986	1 20		—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 14,093,000	$ 12 90
1989	12,738,000	11 84
1988	11,465,000	10 68
1987	14,455,000	13 46
1986	13,550,000	12 64

Income Account *
(000's)

Year ended Dec 31	1990	1989
Telecommunications serv	$ 19,691,000	$ 19,526,000
Sales of prods & syst	12,201,000	11,525,000
Rental & other serv	4,631,000	4,716,000
Fin serv & leasing	762,000	382,000
Total oper revenues	$ 37,285,000	$ 36,149,000
Cost of telecomm serv	6,682,000	7,097,000
Cost of prod & syst	7,505,000	6,987,000
Cost of rentals & other serv	2,088,000	2,255,000
Cost of fin serv & leasing	616,000	223,000
Expenses	15,569,000	15,286,000
Other income	(232,000)	(382,000)
Interest expense	828,000	691,000
Income bef taxes	$ 4,229,000	$ 3,992,000
Income taxes	1,494,000	1,295,000
Net Income	$ 2,735,000	$ 2,697,000

* Included in Costs and Expenses, Depreciation $3,396,000,000 in 1990 and $3,366,000,000 in 1989

Assets
(000's)

As of Dec 31	1990	1989
Cash & temp cash invest	$ 1,389,000	$ 1,183,000
Accts receiv, net	12,290,000	9,555,000
* Inventories	2,626,000	3,206,000
Def income taxes	1,086,000	942,000
Other curr assets	385,000	405,000
Current Assets	$ 17,776,000	$ 15,291,000
Investments	1,418,000	1,187,000
# Fixed assets	17,472,000	15,919,000
Finance receiv	2,320,000	1,709,000
Prepaid pension costs	2,842,000	2,067,000
Other assets	1,947,000	1,514,000
Total Assets	$ 43,775,000	$ 37,687,000

Liabilities
(000's)

Accts payable	$ 4,566,000	$ 4,763,000
Payroll rel liab	2,640,000	2,571,000
Long-term debt, curr	4,804,000	2,426,000
Dividends payable	360,000	323,000
Other curr liab	2,719,000	2,154,000
Curr Liabilities	$ 15,089,000	$ 12,237,000
Long-term debt	9,118,000	8,144,000
Other liabilities	1,501,000	1,390,000
Deferred inc taxes	2,988,000	2,070,000
Unamort invest tax credit	736,000	819,000
Other deferred credits	250,000	289,000
+ Common stock	1,092,000	1,076,000
Add paid-in capital	9,354,000	8,700,000
Guaranteed ESOP oblig	(519,000)	—
Retained earnings	4,166,000	2,962,000
Total Liabilities & Shareholders' Equity	$ 43,775,000	$ 37,687,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

%Income bef. Taxes to Revenues	11.34	11.04
% Net Income to Revenues	7.34	7.46
% Net Income to Equity	19.41	12.17
Debt to Equity	0.99	0.83
Working Capital (000's)	$ 2,687,000	$ 3,054,000
Current Ratio	1.18	1.25
Shareholders' Equity (000's)	$ 14,093,000	$ 12,738,000

Ametek, Inc.

21st Floor
410 Park Avenue
New York, New York 10022
(212) 935-8640
FAX (212) 371-1921

Operations Headquarters
Station Square Two
Paoli, Pennsylvania 19301
(215) 647-2121

Officers: John H. Lux, chairman of the board; Walter E. Blankley, president & chief executive officer; Roger K. Derr, exec. v.p. & chief operating officer; George E. Marsinek, group v.p.-Electro-mechanical group; Frank S. Hermance, group v.p.-precision instruments group; Neal R. Stark, v.p.-compliance; Robert A. Russell, v.p.-marketing; Murray A. Luftglass, sr. v.p.-corporate development; Allan Kornfeld, exec. v.p. & chief financial officer; Peter A. Guercio, group v.p.-industrial materials group; Wallace E. Cowan, secretary; Robert W. Yannarell, treasurer & asst. secretary; John J. Molinelli, comptroller

Directors: Walter E. Blankley, Helmut N. Friedlaender, Wallace E. Cowan, Charles D. Klein, Sheldon S. Gordon, John H. Lux, Anthony A. Sirna, III, Lewis G. Cole, Elizabeth R. Varet

Areas of Work: A diversified manufacturer producing capital goods and components used in consumer products through its four operating groups: Electro-mechanical, Precision Instruments, Process Equipment, and Industrial Materials.

Divisions:

Electro-Mechanical Group

Lamb Electric
627 Lake Street
Kent, Ohio 44240
(216) 673-3451
Fractional horsepower electric motors and blowers for commercial and home appliances

Eastport International
501 Prince George's Center Blvd
Upper Marlboro, Maryland 20772
(301) 249-3300
Electrol/acoustic systems, field operation and maintenance of unmanned undersea vehicles

Ametek Offshore (Scotland) Co
Aberdeen, Scotland
Production and maintenance of unmanned submarines

Los Angeles Die Casting
340 Croker Street
Los Angeles, California 90013
(213) 624-2322
Custom aluminum and zinc die-casting

Straza
790 Greenfield Drive
El Cajon, California 92022
(619) 442-3451
Aerospace components, electro-acoustic and cryogenic systems

Offshore Research & Engineering
41 Aero Camino
Santa Barbara, California 93160
(805) 683-2151
Off-shore systems engineering

Elettromotori Crema S.P.A. (62%-owned)
Via de Gasperi, 18/A
1 26010 Ripalta Cremasca (CR)
(0373) 68628 r.a., Italy
Manufactures electric motors

Precision Instruments Group

McCrometer
3255 W. Stetson Avenue
Hemet, California 92343
(714) 652-6811
Specialty flowmeters

Controls
820 Pennsylvania Boulevard
Feasterville, Pennsylvania 19047
(215) 355-6900
Electronic-pneumatic instruments, recorders, controllers

Mansfield & Green
8600 Somerset Drive
Largo, Florida 33543
(813) 536-7831
Pressure testing and calibration instruments

Panalarm
7401 N. Hamlin Avenue
Skokie, Illinois 60076
(312) 675-2500
Supplier of electrical/electronic and fiber optic process monitoring instruments

U.S. Gauge
900 Clymer Avenue
Sellersville, Pennsylvania 18960
(215) 257-6531
Pressure and temperature gauges for general industrial use, aircraft and automotive instrumentation, electronic pressure transducers, digital and liquid crystal graphic displays; Hunter Spring Neg'ator and Spir'ator constant force springs

Rodan
2905 Blue Star Street
Anaheim, California 92806
(714) 630-0081
Thermistors, electronics

Thermox Instruments
150 Freeport Road
Pittsburgh, Pennsylvania 15238
(412) 828-9040
Oxygen measuring instruments and combustibles analyzers

Process Equipment Group

Heat Transfer Equipment
2300 W. Marshall Drive
Grand Prairie, Texas 75050
(214) 647-2626
Heat exchangers, refrigeration systems and package chillers

Process Equipment
9484 Mission Park Place
Santee, California 92071
(619) 449-0205
Tolhurst centrifuges, fabrics for filtration equipment, Valley Foundry presses and associated equipment

Schutte & Koerting
2233 State Road
Bensalem, Pennsylvania 19020
(215) 639-0900
Jet apparatus, flow measuring instruments, valves and desuperheaters

Industrial Materials Group

Aluminum Extrusion
3042 Treadwell Street
Los Angeles, California 90065
(213) 255-1511
Extruded and custom-finished aluminum for automotive aircraft, appliance and communications industries

Plymouth Products
502 Indiana Avenue
Sheboygan, Wisconsin 53081
(414) 457-9435
Proprietary plastic products for utility and traffic control uses; custom molding for original equipment manufacturers

Carsonite
2900 Lockheed Way
Carson City, Nevada 89701
(702) 883-5104
Produces composite materials components for highway, utility and recreation areas

Composite Materials
2900 Blue Star Street
Anaheim, California 92806
(714) 632-9790
Engineering guidance in the use of composite materials

Westchester Plastics
Green Acres Industrial Park
Nesquehoning, Pennsylvania 18240
(717) 645-2191
Custom-formulated industrial plastic compounds

Special Filaments
8335 Telegraph Road
Odenton, Maryland 21113
(301) 569-4500
Monofilaments and thermoplastic materials

Microfoam
265 Route 202
Chadds Ford, Pennsylvania 19317
(215) 358-1180
Produces low-density polypropylene foam packaging materials

Haveg
900 Greenbank Road
Wilmington, Delaware 19808
(302) 995-0400
Corrosion-resistant tanks, towers, valves and piping

Specialty Metal Products
21 Toelles Road
Wallingford, Connecticut 06492
(203) 265-6731
High-purity metals and alloys in powdered and strip form for use in electronics and metal fabrication

Research & Development

Microelectronics
605 S. Douglas Street
El Segundo, California 90245
(213) 640-2860
Semiconductor chip design and processing; components for solid-state instruments

Computer Research
Monrovia, California

Electrical Systems
Kent, Ohio

Electronic Systems
Harleysville, Pennsylvania

Photovoltaic/Applied Materials
Harleysville, Pennsylvania

Superconductivity Research
Developing and testing different superconductive materials for potential commercial applications

Subsidiaries & Affiliates:

AMETEK (Canada) Ltd
Montreal, Quebec, Canada
Laundry equipment for commercial, hospital and hotel installations; drycleaning equipment

AMETEK, G.m.b.H.
Wiesbaden, West Germany
Management and marketing for AMETEK's foreign operations

Ketema, Ltd
Hamilton, Bermuda

Metron, S.A.
Naucalpan de Juarez, Mexico
AMETEK licensed instruments in Latin America

Sensor Labs, Inc
A California-based manufacturer of solid-state thermistors which respond electronically to temperature changes

AMETEK Aerospace Products, Inc.
Wilmington, Massachusetts
A producer of aircraft instrumentation and components

Acquisition:

Jofra Instruments A.S.
Farum, Denmark
A producer of pressure calibration equipment

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
One New York Plaza
New York, New York 10081

Stock Exchange(s): New York, Pacific

Ticker Symbol: AME

Number of Employees:

1990	6,100	1987	4,700
1989	5,900	1986	4,200
1988	5,200		

Plant Footage:

1990	N.A.	1988	4,488,000
1989	3,800,000 sq. ft.	1987	4,488,000

N.A. Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 660,745,000	$ 37,338,000
1989	587,844,000	38,296,000
1988	520,496,000	30,600,000
1987	431,112,000	41,175,000
1986	391,944,000	36,584,000

	No. of Com. Shares ‡	Earn. per Share †
1990	43,732,000	$ 0.85
1989	44,268,000	0.87
1988	44,020,000	0.70
1987	43,924,000	0.94
1986	43,809,000	0.83

‡ Adjusted to reflect stock split.
† Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Electro-mechanical	$ 214,593,000	$ 199,491,000
Precision instruments	291,336,000	218,494,000
Industrial materials	154,816,000	169,859,000
Total	$ 660,745,000	$ [illegible],844,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.640	—	—
1989	0.620	—	—
1988	0.700	—	—
1987	0.525	—	2-for-1
1986	0.500	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 199,412,000	$ 4.56
1989	194,879,000	4.40
1988	180,923,000	4.11
1987	252,924,000	5.76
1986	231,067,000	5.27

‡ Adjusted to reflect stock split.

Income Account

Year ended Dec. 31	1990	1989
Net sales	$ 660,745,000	$ 587,844,000
Cost of sales	498,749,000	444,004,000
Expenses	69,563,000	66,057,000
Depreciation	24,063,000	17,557,000
Interest expense	20,818,000	15,234,000
Other income	(9,103,000)	(15,691,000)
Income before taxes	$ 56,655,000	$ 60,683,000
Income taxes	19,317,000	22,387,000
Net Income	$ 37,338,000	$ 38,296,000

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 86,894,000	$ 84,442,000
Market. securities	23,731,000	31,401,000
Accts. receiv., net	99,564,000	90,691,000
* Inventories	102,636,000	105,580,000
Other curr. assets	4,835,000	4,111,000
Current Assets	$ 317,660,000	$ 316,225,000
≠ Fixed assets	200,705,000	152,974,000
Other assets	96,805,000	94,114,000
Total Assets	$ 615,170,000	$ 563,313,000

Liabilities

	1990	1989
Short-term debt & long-term debt, curr.	$ 24,329,000	$ 9,891,000
Accts. payable	53,660,000	39,127,000
Accruals	47,077,000	45,271,000
Income taxes	8,197,000	6,864,000
Curr. Liabilities	$ 133,263,000	$ 101,153,000
Long-term debt	223,749,000	219,627,000
Deferred inc. taxes	33,202,000	29,838,000
Other liabilities	25,544,000	17,816,000
+ Common stock	46,414,000	46,414,000
Add. paid-in capital	3,598,000	3,504,000
Retained earnings	170,362,000	161,245,000
Net unreal. gains	1,498,000	959,000
Treasury stock	(22,460,000)	(17,243,000)
Total Liabilities & Shareholders' Equity	$ 615,170,000	$ 563,313,000

* At lower of cost (LIFO) or market.
≠ Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	8.57	10.32
% Net Income to Sales	5.65	6.51
% Net Income to Equity	18.72	19.65
Sales to Inventories	6.44	5.57
Debt to Equity	1.24	1.18
Working Capital	$ 184,397,000	$ 215,072,000
Current Ratio	2.38	3.13
Shareholders' Equity	$ 199,412,000	$ 194,879,000

Amoco Corporation

200 East Randolph Drive
Chicago, Illinois 60601
(312) 856-6111
FAX (312) 856-2460

Officers: H. Laurance Fuller, chairman, president & chief executive officer; John L. Carl, v.p. & controller; Richard H. Leet, vice chairman; Rady A. Johnson, v.p.-public & government affairs; Keith W. McHenry, sr. v.p.-technology; George S. Spindler, v.p. & general counsel; Richard L. Fischer, v.p.-government affairs; Charles A. Mast, v.p.-supply; William R. Hutchinson, v.p. & treasurer; Ronald E. Callahan, secretary; R. Wayne Anderson, v.p.-human resources; Walter R. Quanstrom, v.p.-environmental affairs & safety.

Directors: Arthur E. Rasmussen, Robert H. Malott, Richard D. Wood, Richard J. Ferris, H. Laurance Fuller*, John H. Bryan, Jr., Lawrason D. Thomas, Richard H. Leet*, Ruth S. Block, Robert D. Cadieux, Patrick J. Early, Frederick S. Addy, Donald R. Beall, Martha R. Seger, Erroll B. Davis, Jr.

* Member of the Executive Committee

Areas of Work: Through its Amoco Technology Company subsidiary, a parent organization for five technology-based companies, the Company manufactures compact solid-state laser devices, complete excimer laser systems that produce ultraviolet light and are used primarily by semiconductor manufacturers, semicrystalline and amorphous silicon modules that produce electricity directly from sunlight; develops and markets computer software systems for the biotechnology industry, and is developing diagnostic detection systems based on nucleic acid probes.

Other major company activities include crude oil and natural gas exploration, production, purchasing, and transportation; manufacturing, transporting and marketing petroleum products, including chemicals, polymers, plastics and fertilizers; interests in minerals and real estate; the operation of two insurance companies; and the production of synthetic fabrics.

Electronics-related Subsidiaries:

Amoco Technology Company

Solarex Corporation
Rockville, Maryland
Manufactures both semicrystalline and amorphous silicon modules that produce electricity directly from sunlight.

Amoco Laser Company
Naperville, Illinois
Manufactures compact solid-state laser devices.

XMR Inc.
Santa Clara, California
Manufactures complete excimer laser systems that produce ultraviolet light and are used primarily by semiconductor manufacturers.

IntelliGenetics
Mountain View, California
Develops and markets computer software systems for the biotechnology industry.

GENE-TRAK Systems (50%-owned)
Developing diagnostic detection systems based on nucleic acid probes.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
P.O. Box 469
Washington Bridge Station
New York, New York 10033

The First National Bank of Chicago
Stock Transfer Dept., 0122
One First National Plaza
Chicago, Illinois 60670

The National Trust Company
Stock Transfer
4 King Street West
Toronto, Ontario M5H 3W7, Canada

Stock Exchange(s): New York, Midwest

Ticker Symbol: AN

Number of Employees:

1990	54,524	1987	46,774
1989	53,653	1986	46,775
1988	53,423		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 28,010,000	$ 1,913,000
1989	23,966,000	1,610,000
1988	21,150,000	2,063,000
1987	20,174,000	1,360,000
1986	18,281,000	747,000

	No. of Com. Shares †	Earn. per Share ‡
1990	501,964,000	$ 3.77
1989	511,528,000	3.12
1988	517,066,000	4.00
1987	515,269,000	2.65
1986	511,402,000	1.45

† Adjusted to reflect stock split
‡ Based on the average number of shares outstanding adjusted to reflect stock split

Revenues By Line of Business
(000's)

	1990	1989
Petroleum industry		
Explor. & prod.	$ 4,126,000	$ 3,399,000
Refining, mktng. & trans.	23,000,000	18,736,000
Chemical industry	4,087,000	4,274,000
Other industries	142,000	135,000
Unallocated	226,000	216,000
Total	$ 31,581,000	$ 26,760,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 2.04	—	—
1989	1.90	—	—
1988	1.75	—	2-for-1
1987	1.65	—	—
1986	1.65	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	$ 14,068,000	$ 28.02
1989	13,684,000	26.75
1988	13,342,000	25.80
1987	12,107,000	23.50
1986	11,324,000	22.14

‡ Adjusted to reflect stock split

Income Account
(000's)

Year ended Dec. 31	1990	1989
Net sales & other revenues	$ 28,010,000	$ 23,966,000
Consumer excise taxes	2,380,000	2,381,000
Other income	1,191,000	413,000
Total income	$ 31,581,000	$ 26,760,000
Cost of sales	13,697,000	20,619,000
Expenses	8,079,000	6,994,000
Taxes	3,395,000	3,224,000
Depreciation, depletion & amortization	2,413,000	2,500,000
Interest expense	587,000	728,000
Income bef. taxes	$ 3,410,000	$ 2,695,000
Income taxes	1,497,000	1,085,000
Net Income	$ 1,913,000	$ 1,610,000

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 268,000	$ 231,000
Marketable securities	2,131,000	949,000
Accts. & notes receiv., net	4,226,000	3,606,000
*Inventories	1,133,000	1,112,000
Prepaid expenses	458,000	530,000
Current Assets	$ 8,216,000	$ 6,428,000
Investments & other assets	1,287,000	1,355,000
‡Fixed assets	22,706,000	22,647,000
Total Assets	$ 32,209,000	$ 30,430,000

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 215,000	$ 257,000
Short-term borrowings	492,000	483,000
Accts. payable	3,697,000	3,114,000
Accruals	1,216,000	1,162,000
Income taxes payable	1,179,000	872,000
Curr. Liabilities	$ 6,799,000	$ 5,888,000
Long-term debt	5,012,000	5,394,000
Cap. lease oblig.	237,000	264,000
Deferred credits	6,079,000	5,187,000
Minority interest	14,000	13,000
+ Common stock	2,138,000	2,178,000
Retained earnings	11,925,000	11,536,000
For. curr. trans. adj.	5,000	(30,000)
Total Liabilities & Shareholders' Equity	$ 32,209,000	$ 30,430,000

* At lower of current market value or cost. Crude oil, petroleum prods., chemical prods. at LIFO. All others at FIFO or average.
‡ Less accumulated depreciation, depletion and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales & Revenues	12.17	11.25
% Net Income to Sales & Revenues	6.83	6.72
% Net Income to Equity	13.60	11.77
Debt to Equity	0.42	0.47
Working Capital (000's)	$ 1,417,000	$ 540,000
Current Ratio	1.21	1.09
Shareholders' Equity (000's)	$ 14,068,000	$ 13,684,000

AMP Incorporated/Pamcor, Inc.

470 Friendship Road
P.O. Box 3608
Harrisburg, Pennsylvania 17105-3608
(717) 564-0100
FAX: (717) 780-6348

Officers: Harold A. McInnes, chairman of the board & chief executive officer; Herman Gilissen, v.p.-development engineering, Europe; James E. Marley, president & chief operating officer & director; Nazario Proietto, v.p.-European operations; Ted L. Dalrymple, v.p.-director of marketing; Javad K. Hassan, v.p.-Technology; Mark L. Miller, treasurer; Earl Hennenhoefer, v.p.-Printed Circuit Board Products; Benjamin Savidge, exec. v.p. & chief financial officer; Lincoln S. Miller, Jr., v.p.-operations; William J. Hudson, exec. v.p.-International; Gerhard M. Schmidt, v.p.-European operations; Philip G. Guarneschelli, v.p.-human resources; John E. Gurski, v.p.-Capital Goods Sector; Merrill A. Yohe, secretary; Jay Seitchik, general patent counsel; David C. Cornelius, controller.

Directors: Joseph M. Hixon, Dexter F. Baker, Walter F. Raab*, R. D. DeNunzio, Benjamin Savidge, J. J. Burdge, Harold A. McInnes*, W. E. C. Dearden, James E. Marley*, J. C. Morley, P. G. Schloemer.

* Member of the Executive Committee

Areas of Work: The company produces electrical and electronic connection, switching and programming devices - including solderless terminals, splices, packaging and interconnection devices, multiple and coaxial connectors, switches and programming systems - and the application tools and machines to attach these devices to wires, cables, or circuit boards. It also produces electronic power units and other electrical/electronic components.

Subsidiaries:

AMP Products Corporation
Valley Forge, Pennsylvania

AMP Packaging Systems, Inc.
Austin, Texas

Carroll Touch, Inc.
Austin, Texas

Kaptron, Inc.
Palo Alto, California

Mark Eyelet, Inc.
Wolcott, Connecticut

Garry Screw Machine Corporation
New Brunswick, New Jersey

Lytel Corporation
Somerville, New Jersey

Matrix Science Corporation
Torrance, California

AMP of Canada, Ltd.
Toronto, Canada

AMP de France S.A.
Paris, France

AMP-Holland B.V.
's-Hertogenbosch, The Netherlands

AMP of Great Britain Limited
London, England

AMP Italia S.p.A.
Turin, Italy

AMP Deutschland G.m.b.H.
Frankfurt, Germany

AMP Espanola, S.A.
Barcelona, Spain

AMP (Japan) Ltd.
Tokyo, Japan

Australian AMP Pty. Limited
Sydney, Australia

AMP de Mexico, S.A.
Mexico City, D.F., Mexico

AMP S.A. Argentina
Buenos Aires, Argentina

AMP Finland Oy
Helsinki, Finland

AMP do Brasil Ltda.
Sao Paulo, Brazil

AMP (Schweiz) A.G.
Steinach, Switzerland

AMP Osterreich Handelsgas. m.b.H.
Vienna, Austria

AMP Norge A/S
Oslo, Norway

AMP Svenska AB
Stockholm, Sweden

AMP Singapore Pte. Ltd.
Singapore

Decolletage S.A. St.-Maurice
St. Maurice, Switzerland

AMP Taiwan
Taipei, Taiwan

AMP Belgium*
Brussels, Belgium

AMP Danmark*
Viby, Denmark

AMP Products Pacific Ltd.
Hong Kong

AMP Ireland Limited
Dublin, Ireland

AMP Portugal, LDA
Lisbon, Portgual

New Zealand AMP Ltd
Auckland, New Zealand

AMP Products (Malaysia)
Kualka Lumpur, Malaysia

AMP Korea
Seoul, South Korea

* Branch of AMP-Holland B.V.

Joint Venture:

AMP/Akzo Corporation (50/50)
Melville, New York

Transfer Agent(s):

Manufacturers Hanover Trust Company
Securityholder Relations Dept
P.O. Box 24935
Church Street Station
New York, New York 10249

The Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): New York

Ticker Symbol: AMP

Number of Employees:

1990	24,700	1987	22,000
1989	24,400	1986	21,800
1988	24,100		

Plant Footage:

1990	9,200,000 sq. ft.	1987	8,900,000
1989	9,000,000	1986	8,900,000
1988	9,000,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 3,043,589,000	$ 287,112,000
1989	2,796,636,000	280,907,000
1988	2,669,661,000	319,123,000
1987	2,317,753,000	249,671,000
1986	1,933,055,000	164,345,000

	No. of Com. Shares	Earn per Share ‡
1990	105,900,000	$ 2.70
1989	106,500,000	2.63
1988	107,400,000	2.96
1987	107,500,000	2.31
1986	108,100,000	1.52

‡ Based on the weighted average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.36	—	—
1989	1.20	—	—
1988	1.00	—	—
1987	0.85	—	—
1986	0.74	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 1,792,758,000	$ 16.92
1989	1,625,433,000	15.27
1988	1,521,264,000	14.16
1987	1,348,623,000	12.55
1986	1,134,865,000	10.50

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 3,043,589,000	$ 2,796,636,000
Cost of sales	2,012,394,000	1,816,821,000
Expenses	543,437,000	505,191,000
Interest expense	38,321,000	21,592,000
Other income	(12,575,000)	(2,255,000)
Income before taxes	$ 462,012,000	$ 455,287,000
Income taxes	174,900,000	174,380,000
Net Income	$ 287,112,000	$ 280,907,000

* Included in Costs and Expenses, Depreciation and Amortization $217,734,000 in 1990 and $180,270,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 414,493,000	$ 309,164,000
Marketable securities	45,674,000	25,001,000
Receiv., net	557,484,000	520,028,000
* Inventories	481,727,000	494,803,000
Deferred inc. taxes	69,565,000	56,144,000
Other curr. assets	49,468,000	32,098,000
Current Assets	$ 1,618,411,000	$ 1,437,238,000
Investments & other assets	188,661,000	138,766,000
≠ Fixed assets	1,121,544,000	953,755,000
Total Assets	$ 2,928,616,000	$ 2,529,759,000

Liabilities

	1990	1989
Short-term debt	$ 378,636,000	$ 214,512,000
Accts. payable	244,655,000	224,924,000
Accrued payroll	132,194,000	114,585,000
Accrued inc. taxes	151,384,000	129,765,000
Other accruals	46,341,000	41,711,000
Curr. Liabilities	$ 953,210,000	$ 725,497,000
Long-term debt	61,095,000	69,500,000
Deferred inc. taxes	79,840,000	71,609,000
Other liabilities	41,713,000	37,720,000
+ Common stock	12,480,000	12,480,000
++ Common stock	20,000	20,000
Add. paid-in capital	77,746,000	77,156,000
Cum. trans. adj.	114,108,000	67,911,000
Retained earnings	1,765,396,000	1,622,935,000
Treasury stock	(176,992,000)	(155,069,000)
Total Liabilities & Shareholders' Equity	$ 2,928,616,000	$ 2,529,759,000

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ No par value, AMP Incorporated
++ $1 par value, Pamcor, Inc.

Statistical Summary

	1990	1989
% Income before Taxes to Sales	15.18	16.28
% Net Income to Sales	9.43	10.04
% Net Income to Equity	16.02	17.28
Sales to Inventories	6.32	5.65
Debt to Equity	0.25	0.17
Working Capital	$ 665,201,000	$ 700,886,000
Current Ratio	1.70	2.06
Shareholders' Equity	$ 1,792,758,000	$ 1,625,433,000

Analog Devices, Inc.

One Technology Way
P.O. Box 9106
Norwood, Massachusetts 02062-9106
(617) 329-4700
FAX: (617) 326-8703

Officers: Ray Stata, chairman of the board & president; Joseph M. Hinchey, sr. v.p.-finance; Arnold Kanarick, v.p.-human resources; Jerald G. Fishman, exec v.p.; Joseph E. McDonough, v.p. & treasurer; Melvin J. Sallen, sr. v.p.; Paul P. Brountas, clerk.

Directors: Ray Stata, chairman; Philip L. Lowe, Joel Moses, Gordon C. McKeague, Morris Chang, John L. Doyle, Lester C. Thurow.

Areas of Work: Designs, manufactures and markets electronic components and subsystems used for the acquisition, conditioning, conversion, transmission and display of analog and digital data in precision measurement and control systems. Linear integrated circuits account for the majority of the Company's sales. These devices acquire, condition, amplify and otherwise process signals from real-world sensors while the information is in analog form, convert the information to a digital form that can be read by a microprocessor or computer, and further process the signals after conversion to digital form. Sold predominantly to original equipment manufacturers (OEMs), these products are incorporated into instruments and systems used in a wide variety of end-use applications, including engineering, laboratory automation, industrial automation, defense/avionics, communications, and computers and peripherals.

Divisions:

Analog Devices Semiconductor
Microelectronics Division
Computer Labs Division
Component Test Systems
Interface Products Division

Analog Devices Enterprises
Venture capital division

Field Service Division

Digital Signal Processing - Development Labs

Adventures Limited Partnership
Small limited partnership in which ADI makes investments on behalf of another company

Digital Signal Processing Division

Industrial Automation Division

Subsidiaries:

Analog Devices Limited
Central Avenue
East Molesey
Surrey KT8 OSN, England

Analog Devices, GmbH
Edelsbergstrasse 8-10
D-8000 Munich 21, West Germany

Analog Devices, S.A.
204 SILIC
12, Rue Le Corbusier
Batiment "Iena"
94518 Rungis Cedex, France

Analog Devices KK
Daini Jibiki Building
7-8 Kojimachi 4-chome
Chiyoda-ku, Tokyo, Japan

Analog Devices, APS
Hugr Kaer 20
2730 Herlev, Denmark

Analog Devices Nederland, B.V.
Beneluxweg 27
4904 SJ Oosterhout, The Netherlands

Analog Devices, HDLSGESMBH M.B.H.
Meissgosse 51
A-1238 Vienna, Austria

Analog Devices, Inc.

Analog Devices International, Inc.
Justitiestraat 18
2018 Antwerp, Belgium

Analog Devices S.A.
9 Rue de Berne
1201 Geneva, Switzerland

Analog Devices SRL
Via Medardo Rosso 18
20159 Milano, Italy

Analog Devices (Israel), Ltd.
6 Borochov Street
Raananna, Israel 43433

Analog Devices AB
Mariehallsvagen 42
Box 20093
S-16120 Bromma, Sweden

Analog Devices (Philippines), Inc.
Edison Avenue, KM-14
S. Expressway
Parangue, Metro Manila, Philippines

Analog Devices K.K. Tech Center
3210-2 Kawajiri Shiroyama-Cho
Tsukui-Gun Kanagawa, Japan

Analog Devices, B.V.
Analog Devices Holdings B.V.
Analog Devices Foreign Sales Corporation, B.V.
The Netherlands

Memory Devices, Limited
Great Britain

Analog Devices International Sales Corporation

Acquisition:

Precision Monolithics, Inc.

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: ADI

Number of Employees:

1990	5,700	1987	5,219
1989	5,200	1986	4,959
1988	5,347		

Plant Footage:

1990	N.A.	1987	939,500
1989	N.A.	1986	937,500
1988	966,200 sq. ft.		

N.A.-Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 485,214,000	$ (12,913,000)
1989	453,372,000	27,871,000
1988	439,206,000	37,989,000
1987	370,430,000	18,679,000
1986	334,437,000	23,406,000

	No. of Com. Shares #	Earn. per Share #
1990	46,943,000	$ —
1989	48,273,000	0.58
1988	47,676,000	0.80
1987	46,592,000	0.40
1986	46,026,000	0.51

(Loss)
Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 342,724,000	$ 7.31
1989	361,038,000 +	7.57
1988	329,549,000 +	7.07
1987	278,202,000 +	6.29
1986	248,041,000 +	5.88

+ After allowing for preferred stock at liquidation value.
# Adjusted to reflect stock split.

Income Account *

Year ended	11/3/90	12/28/89
Net sales	$ 485,214,000	$ 453,372,000
Cost of sales	244,254,000	215,117,000
Expenses	234,742,000	194,485,000
Invest. valuation	18,261,000	7,799,000
Interest expense	3,190,000	2,024,000
Interest income	(2,830,000)	(2,656,000)
Currency	(108,000)	87,000
Other expense	1,268,000	157,000
Inc. (loss) bef. taxes	$ (13,563,000)	$ 36,359,000
Income taxes (credit)	(650,000)	8,488,000
Net Income (Loss)	$ (12,913,000)	$ 27,871,000

* Included in Costs and Expenses, Depreciation and Amortization: $46,776,000 in 1990 and $41,522,000 in 1989.

Assets

As of	11/3/90	10/28/89
Cash & cash equiv.	$ 8,287,000	$ 30,145,000
Accts. receiv., net	97,592,000	81,738,000
*Inventories	107,647,000	97,520,000
Prepaid inc. taxes	11,150,000	9,790,000
Prepaid expenses	7,724,000	3,852,000
Current Assets	$ 232,400,000	$ 223,045,000
#Fixed assets	223,862,000	208,695,000
Investments	1,189,000	17,082,000
Intangibles	25,837,000	1,105,000
Defer. charges & other assets	3,900,000	2,590,000
Total Assets	$ 487,188,000	$ 452,517,000

Liabilities

Short-term borrowings & long-term debt, curr.	$ 10,042,000	$ 6,279,000
Oblig. under cap. leases, curr.	1,032,000	2,228,000
Accts. payable	35,043,000	26,313,000
Income taxes	2,132,000	4,018,000
Accruals	58,097,000	24,353,000
Curr. Liabilities	$ 106,346,000	$ 63,191,000
Long-term debt	22,808,000	10,301,000
Oblig. under cap. leases	1,321,000	1,727,000
Deferred inc. taxes	10,940,000	12,120,000
Other liabilities	3,049,000	1,813,000
+Preferred stock	—	2,000
++Common stock	8,237,000	8,142,000
Add. paid-in capital	130,046,000	131,096,000
Retained earnings	220,103,000	233,016,000
Cum. trans. adjust.	5,126,000	3,184,000
Treasury stock	(20,788,000)	(12,075,000)
Total Liabilities & Shareholders' Equity	$ 487,188,000	$ 452,517,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value
++ $0.16 2/3 par value

Statistical Summary

% Income bef. Taxes to Sales	—	8.02
% Net Income to Sales	—	6.15
% Net Income to Equity	—	7.67
Sales to Inventories	4.51	4.65
Debt to Equity	0.10	0.06
Working Capital	$ 126,054,000	$ 159,854,000
Current Ratio	2.19	3.53
Shareholders' Equity	$ 342,724,000	$ 363,365,000

Analogic Corporation

8 Centennial Drive
Peabody, Massachusetts 01960
(508) 977-3000
FAX: (508) 531-0567

Officers: Bernard M. Gordon, chairman of the board & president; John A. Tarello, sr. v.p. & treasurer; M. Ross Brown, v.p.; Julian Soshnick, v.p. & general counsel; Daniel Birkner, Division & Operating vice president; Edmund F. Becker, Jr., Division & Operating vice president; Robert H. French, Division & Operating vice president; Sorin Marcovici, Division & Operating vice president; Thomas J. Dempsey, Division & Operating vice president; Leopold Neumann, Division & Operating vice president; Martin S. Gordon, Division & Operating vice president; Michael Rasmussen, v.p.-software engineering.

Directors: Bernard M. Gordon, chairman; Bernard L. Friedman, M. Ross Brown, John A. Tarello, Jules J. Schwartz, Gerald L. Wilson, Edward F. Voboril, Julian Soshnick.

Areas of Work: Engaged in the design, manufacture, and marketing of advanced precision data conversion, and computer-based signal processing instruments and equipment, which are used to acquire, condition, translate, compute, interpret, store, transmit, or display critical data in modern industrial, scientific, medical, communications and other system applications.

Subsidiaries:

Analogic Limited
Ascot House, Doncastle Road
Bracknell, Berkshire RG12 4PE England

Analogic Foreign Sales Corp.
St. Thomas 00801 U.S. Virgin Islands

Analogic GmbH
Siemensstrasse 13
6200 Weisbaden
Nordenstadt, West Germany

Power Test Division, Inc.
1701 Rollins Road
Burlingame, California 94010

Computer Design & Applications, Inc.
8 Centennial Drive
Peabody, Massachusetts 01961
Manufactures electronic imaging equipment.

Camtronics, Ltd
W302 N1201 Maple Ave
Waukesha, Wisconsin 53188

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALOG (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1990	$ 132,189,000	$ 12,431,000
1989	127,941,000	14,518,000
1988	113,516,000	1,164,603
1987	128,991,000	14,527,916
1986	126,771,000	10,074,975

	No. of Com Shares +	Earn per Share +
1990	14,639,000	$ 0.85
1989	14,952,000	0.97
1988	16,429,000	0.07
1987	18,104,000	0.80
1986	18,981,000	0.53

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 153,501,000	$ 10.49
1989	146,525,000	9.80
1988	138,524,495	8.43
1987	151,567,775	8.37
1986	157,335,085	8.29

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended July 31	1990	1989
Revenues		
Prod. & serv.	$ 132,189,000	$ 127,941,000
Eng. & lic.	5,887,000	4,848,000
Gain on sale	—	7,513,000
Int. income	5,480,000	4,622,000
Total revenues	$ 143,556,000	$ 144,924,000
Cost of sales	82,400,000	81,438,000
Expenses	43,306,000	42,336,000
Interest expense	948,000	997,000
Amort. of exc. cost over assets acq.	948,000	997,000
Amort. of exc. assets acq. over cost	(1,156,000)	(1,153,000)
Eq. in inc. of unconsol. affil.	(14,000)	—
Income before taxes	$ 17,920,000	$ 21,320,000
Income taxes	4,585,000	6,802,000
Minority interest	904,000	—
Net Income	$ 12,431,000	$ 14,518,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,694,000 in 1990 and $7,006,000 in 1989.

Assets

As of July 31	1990	1989
Cash	$ 10,004,000	$ 10,977,000
Market. securities	67,185,000	54,564,000
Accts. receiv. - trade, net	28,823,000	27,410,000
Accts. receiv. - affil.	534,000	726,000
* Inventories	33,176,000	36,328,000
Prepaid expenses	1,805,000	2,486,000
Current Assets	$ 141,527,000	$ 132,491,000
≠ Fixed assets	40,940,000	42,839,000
Invest. in affil. co.	—	4,290,000
Exc. of cost over assets acq.	1,071,000	—
Other assets	1,817,000	1,652,000
Total Assets	$ 185,355,000	$ 181,272,000

Liabilities

Notes payable	$ 158,000	$ 1,978,000
Cap. lease oblig., curr.	221,000	367,000
Accts. payable	5,793,000	4,918,000
Accrued compensation	5,105,000	4,514,000
Other accruals	2,686,000	2,444,000
Accrued taxes	3,412,000	3,940,000
Curr. Liabilities	$ 17,375,000	$ 18,161,000
Mortg. note pay.	6,379,000	6,536,000
Oblig. under cap. leases	4,798,000	5,019,000
Deferred inc. taxes	2,140,000	3,875,000
Minority interest	1,162,000	—
Exc. of acq. assets over cost	—	1,156,000
+ Common stock	801,000	800,000
Add. paid-in capital	38,132,000	38,480,000
Retained earnings	130,971,000	118,540,000
Treasury stock	(15,674,000)	(9,865,000)
Unearned compensation	(729,000)	(1,430,000)
Total Liabilities & Shareholders' Equity	$ 185,355,000	$ 181,272,000

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

% Income bef. Taxes to Revenues	12.48	14.71
% Net Income to Revenues	8.66	10.02
% Net Income to Equity	8.10	9.91
Debt to Equity	0.08	0.09
Working Capital	$ 124,152,000	$ 114,330,000
Current Ratio	8.15	7.30
Shareholders' Equity	$ 153,501,000	$ 146,525,000

Anaren Microwave, Inc.

6635 Kirkville Road
East Syracuse, New York 13057
(315) 432-8909
FAX (315) 432-9121

Officers: Hugh A. Hair, president & chief exec. officer; Carl W. Gerst, Jr., exec. v.p. & chief operating officer; Michael G. Rowe, treasurer & chief financial officer; Tom B. Burgher, II, v.p.-marketing; William J. Mackay, secretary.

Directors: Hugh A. Hair, Carl W. Gerst, Jr., William J. Mackay, Abraham Manber, Solomon Manber, Alvan R. Corkin, Herbert I. Corkin.

Areas of Work: Designs, engineers and manufactures microwave components and completely integrated microwave assemblies used in sophisticated microwave installations. The Company's microwave componentry is utilized in navigation, fire-control radar, electronic countermeasures, electronic surveillance, telemetry, instrumentation and communications systems.

Subsidiaries:

Anaren Microwave, Ltd.
Unit 2, Blackwater Way
Aldershot Hants, GU12 4DK, England

Anaren International, Inc.
East Syracuse, New York

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ANEN (NASDAQ)

Number of Employees:

1990	345	1988	350
1989	325		

Plant Footage:

1990	105,000 sq. ft.	1987	105,000
1989	105,000	1986	105,000
1988	105,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 22,746,183	$ (2,172,209)
1989	22,749,203	(1,878,247)
1988	24,504,027	200,066
1987	29,039,266	1,815,959
1986	32,779,053	3,233,648

	No. of Com Shares ≠	Earn per Share ≠
1990	4,360,964	$ —
1989	4,307,470	—
1988	4,241,664	0.05
1987	4,209,308	0.43
1986	4,209,115	0.77

(Loss)
≠ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
MICs & components	$ 6,102,000	$ 6,392,000
DFDs & DRFMs	8,899,000	9,544,000
ESM receivers & special proj.	7,745,000	6,813,000
Total	$ 22,746,000	$ 22,749,000

Common Stock Equity

	Total Equity	Equity Per Share ≠
1990	$ 23,822,147	$ 5.46
1989	25,861,152	6.00
1988	27,394,024	6.46
1987	26,944,241	6.40
1986	25,128,282	5.97

≠ Based on the weighted average number of shares outstanding.

Income Account *

Year ended June 30	1990	1989
Net sales	$ 22,746,183	$ 22,749,203
Cost of sales	19,178,141	19,375,320
Expenses		
Marketing	3,689,175	2,802,588
Res. & develop.	1,108,784	1,659,052
Gen. & adm.	2,463,277	2,341,053
Interest expense	449,672	356,394
Other income	(153,657)	(298,957)
Loss before taxes	$ (3,990,209)	$ (3,486,247)
Tax credit	(1,818,000)	(1,608,000)
Net Loss	$ (2,172,209)	$ (1,878,247)

* Included in Costs and Expenses, Depreciation and Amortization: $1,092,208 in 1990 and $1,230,421 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equivs	$ 2,545,099	$ 1,238,110
Short-term invest	—	854,669
Receiv , net	8,066,243	8,880,506
Refund inc taxes	1,613,340	1,486,635
*Inventories	12,526,674	12,798,074
Prepaid expenses	168,428	90,567
Current Assets	$ 24,919,784	$ 25,348,561
≠ Fixed assets	7,426,667	7,138,163
Other assets	85,911	95,849
Total Assets	$ 32,432,362	$ 32,582,573

Liabilities

Long-term debt, curr	$ 1,260,762	$ 545,333
Accts payable	1,366,871	1,298,064
Accruals	435,735	387,230
Curr Liabilities	$ 3,063,368	$ 2,230,627
Long-term debt	4,849,720	3,666,667
Deferred in taxes	697,127	824,127
+Common stock	45,904	45,501
Add paid-in capital	14,544,522	14,411,721
Retained earnings	9,398,184	11,570,393
Treasury stock	(166,463)	(166,463)
Total Liabilities & Shareholders' Equity	$ 32,432,362	$ 32,582,573

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.01 par value

Statistical Summary

Sales to Inventories	1.82	1.78
Debt to Equity	0.26	0.16
Working Capital	$ 21,856,416	$ 23,117,934
Current Ratio	8.13	11.36
Shareholders' Equity	$ 23,822,147	$ 25,861,152

Andersen Group, Inc.

1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0761
FAX (203) 242-9876

Officers: Oliver R. Grace, chairman; Francis E. Baker, president; Tom D. Fielding, treasurer & controller; Elmer J. Dahl, secretary; Martin H. Andersen, asst. secretary; Franklin R. Stoner, director-human resources; Bernard F. Travers, director-taxation

Directors: Oliver R. Grace*, Francis E. Baker*, Joseph F. Engelberger, Ratus L. Kelly, Louis Lubrano, Oliver R. Grace, Jr.*, James J. Pinto, Richard H. Gordon, Edward K. Conklin, John S. Grace, Robert H. Saunders, Jr., Frank S. Wilson

* Member of the Executive Committee

Areas of Work: Develops, produces and markets electronic signal processing products and medical products and services

Subsidiaries:

Microtime, Inc
1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-4242

Develops, manufactures and sells video signal processing equipment to the professional broadcasting, cable, industrial and educational markets. Products include time base correctors, synchronizers, digital video effects, and computer graphics equipment

The J. M. Ney Company
Bloomfield, Connecticut

Engaged in the manufacturing, distribution and marketing of a wide variety of products for dental applications, including precious metal casting alloys

Cellular System Management, Inc

A unit of trained marketing and technical people, offering a variety of services to cellular operators, including selection of equipment, installation, turn on, subscriber marketing and management of continuing operations

Transfer Agent(s):

Citytrust (common stock & debentures)
961 Main Street
Bridgeport, Connecticut 06601

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ANDR (NASDAQ)

Number of Employees:

1990	370	1987	539
1989	107	1986	571
1988	N.A.		

Plant Footage:

1990	216,000 sq. ft.	1987	107,000
1989	108,000	1986	107,000
1988	N.A.		

N.A. - Not Available

Sales & Earnings

	Net Sales +	Net Income ≠
1991	$ 4,767,000	$ 520,000
1990	1,368,000	4,337,403
1989	396,000	3,612,005
1988	3,000	(8,744,182)
1987	4,000	52,096

	No. of Com Shares	Earn. per Share ≠‡
1991	1,767,165	$ 0.29
1990	1,765,665	2.44
1989	1,765,165	2.07
1988	1,789,165	—
1987	1,789,165	0.03

(Loss)
+ Of continuing operations only
≠ Including extraordinary gain of $30,500 ($0.02 per share) in 1991
‡ Based on the weighted average number of shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 13,962,000	$ 7.90
1990	13,431,000	7.61
1989	9,091,000	5.15
1988	5,856,000	3.27
1987	14,600,000	8.16

Income Account *

Year ended Feb. 28	1991	1990
Revenues		
Rental income	$ 880,579	$ 410,630
Invest. income	3,571,079	759,120
Other	315,382	197,852
Total revenues	$ 4,767,040	$ 1,367,602
Cost of revenues	468,429	342,416
Expenses	2,390,509	1,898,713
Interest expense	1,072,925	1,244,202
Inc. (loss) bef. taxes	$ 835,177	$ (2,117,729)
Income taxes (credit)	345,917	(699,000)
Inc. (loss)-cont. oper.	$ 489,260	$ (1,418,729)
Inc.-cont. oper.	—	5,756,132
Net Income	$ 489,260	$ 4,337,403
Extraord. gain	30,500	—
Net Income & extraord. gain	$ 519,760	$ 4,337,403

* Included in Costs and Expenses, Depreciation and Amortization: $461,021 in 1991 and $1,451,905 in 1990

Assets

As of Feb. 28	1991	1990
Cash & cash equivs	$ 13,819,227	$ 21,908,797
Short-term investments	7,495,345	3,395,838
Accts. & notes receiv., net	8,342,564	3,767,021
*Inventories	12,148,034	2,295,465
Prepaid expenses	559,739	129,544
Current Assets	$ 42,364,909	$ 31,496,665
Investments	13,152,488	3,148,538
≠Fixed assets	17,292,823	3,434,953
Def. charges & other assets	5,202,606	2,362,473
Total Assets	$ 78,012,826	$ 40,442,629

Liabilities

Long-term debt, curr	$ 166,291	$ 151,810
Short-term bank loans	—	1,075,730
Due to former stockholders of J.M. Ney Co.	14,804,400	—
Accts. payable	2,930,823	2,948,036
Accrued compensation	1,405,529	1,069,947
Accrued inc. taxes	1,382,630	3,396,940
Other accruals	2,199,599	3,412,555
Current Liabilities	$ 22,889,272	$ 12,055,018
Convert. debentures	8,954,000	9,335,000
Other liabilities	7,088,804	2,956,596
Post-retire. benefit oblig.	1,469,923	—
Deferred inc. taxes	10,254,000	2,665,000
+Redeem. preferred stock	13,395,115	—
+Common stock	2,101,533	2,090,596
Add. paid-in capital	139,495	139,495
Retained earnings	11,810,684	11,290,924
Treasury stock	(90,000)	(90,000)
Total Liabilities & Shareholders' Equity	$ 78,012,826	$ 40,442,629

* At lower of cost (FIFO & average) or market. Certain J.M. Ney Co. inventories valued by the LIFO method.
≠ Less accumulated depreciation.
+ No par value

Statistical Summary

% Income bef. Taxes to Revenues	17.52	—
% Net Income to Revenues	10.26	—
% Net Income to Equity	3.50	32.29
Debt to Equity	0.65	0.79
Working Capital	$ 19,475,637	$ 19,441,647
Current Ratio	1.85	2.61
Shareholders' Equity	$ 13,961,712	$ 13,431,015

Andrea Radio Corporation

11-40 45th Road
Long Island City, New York 11101
(718) 729-8500
FAX (718) 361-2231

Officers: Frank A. D. Andrea, Jr., chairman of the board and president; Jeff Gosman, chief financial officer; Douglas Andrea, secretary; James P. Foley, v.p.-operations.

Directors: Frank A. D. Andrea, Jr., George Feinman, James E. McLinden, Douglas J. Andrea.

Areas of Work: Engaged in designing, developing, and producing intercommunications and other electronic systems and equipment which are sold to the government and industrial companies under prime and subcontracts.

Transfer Agent(s):

The Chase Manhattan Bank N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: AND

Number of Employees:

1990	85	1987	96
1989	107	1986	80
1988	97		

Plant Footage:

1990	57,000 sq. ft.	1987	57,266
1989	57,266	1986	57,266
1988	57,266		

Sales & Earnings

	Net Sales	Net Income
1990	$ 3,446,647	$ (73,163)
1989	3,704,784	154,361
1988	4,104,603	293,392
1987	3,583,018	304,781
1986	3,905,736	269,539

	No. of Com. Shares	Earn. per Share ≠
1990	508,272	$ —
1989	508,272	0.30
1988	508,272	0.58
1987	508,272	0.60
1986	508,272	0.53

(Loss)
≠ Based on the average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Government	$ 1,660,926	$ 2,358,896
Industrial	1,577,903	1,196,283
Commercial	207,818	149,605
Total	$ 3,446,647	$ 3,704,784

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.13	—	—
1989	0.54	—	—
1988	0.54	—	—
1987	0.72	—	—
1986	0.72	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 3,188,734	$ 6.27
1989	3,327,972	6.55
1988	3,448,078	6.78
1987	3,429,153	6.75
1986	3,490,328	6.87

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 3,446,647	$ 3,704,784
Other income	96,831	155,410
Total income	$ 3,543,478	$ 3,860,194
Cost of sales	3,108,377	3,056,415
Expenses	533,264	512,422
Inc. (loss) bef. taxes	$ (98,163)	$ 291,357
Income taxes (credit)	(25,000)	136,996
Net Income (Loss)	$ (73,163)	$ 154,361

* Included in Costs and Expenses, Depreciation and Amortization: $68,761 in 1990 and $53,297 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 1,208,855	$ 1,639,382
Accts. receiv., net	743,436	463,426
*Inventories	860,021	838,479
Prepaid expenses	26,581	88,206
Inc. taxes receiv.	58,990	—
Current Assets	$ 2,838,893	$ 3,029,493
≠Fixed assets	430,147	435,945
Goodwill	81,128	104,308
Other assets	1,151	1,151
Total Assets	$ 3,410,309	$ 3,570,897

Liabilities

Cap. lease oblig., curr.	$ 27,587	$ 24,532
Accts. payable	101,144	93,108
Salaries & wages	74,268	39,128
Accr. pensions prof.-sharing	9,400	68,747
Dividends payable	9,176	10,560
Curr. Liabilities	$ 221,575	$ 236,075
Cap. lease oblig.	—	6,850
+Common stock	254,136	254,136
Add. paid-in capital	59,206	59,206
Retained earnings	2,875,392	3,014,630
Total Liabilities & Shareholders' Equity	$ 3,410,309	$ 3,570,897

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	7.86
% Net Income to Sales	—	4.17
% Net Income to Equity	—	4.64
Sales to Inventories	4.01	4.42
Debt to Equity	0.01	0.01
Working Capital	$ 2,617,318	$ 2,793,418
Current Ratio	12.81	12.83
Shareholders' Equity	$ 3,188,734	$ 3,327,972

Andrew Corporation

10500 West 153rd Street
Orland Park, Illinois 60462
(708) 349-3300
FAX (708) 349-5943

Officers: Edward J. Andrew, chairman of the board; Floyd L. English, president & chief executive officer; George R. Forbes, sr. v.p.-corporate staff; Charles R. Nicholas, v.p.-finance & chief financial officer; Dennis J. Risany, v.p.-marketing plans; Eric L. Brooker, v.p.-corporate research & development; Henry C. Johnson, v.p.-marketing, sales & corporate development; Richard A. Guipe, v.p.-HELIAX products; John B. Scott, group v.p.-network products; Frank M. Roddy, group v.p.-commercial products; Harold K. Sohner, group v.p.-government products; Ernest T. Weber, v.p.-corp. development; Sidney M. Bennett, v.p.-business development; Richard L. Dybala, treasurer; Gregory F. Maruszak, controller; Thomas E. Charlton, v.p.-antenna products & systems; Anthony J. Lacopulos, v.p.-antenna products; Edward C. Nield, v.p.-MIS; Harry D. McKee, v.p.-broadcast products; Barry J. Houlihan, Government Products Group v.p.-Australia.

Directors: Edward J. Andrew, chairman; Edith G. Andrew, John G. Bollinger, George N. Butzow, Floyd L. English, Jon L. Boyes, Kenneth J. Douglas, Donald N. Frey.

Areas of Work: Manufactures and markets communications systems and equipment to commercial and defense markets through its three operating groups, Commercial, Government and Network.

The Commercial Products Group offers complete packages of transmission products and services, including terrestrial microwave, broadcast and earth station antennas and systems, coaxial cable, waveguide, towers and shelters. This group serves common carrier, private network, cellular, land mobile and broadcast customers, among others.

The Government Products Group supplies electronic radar and communications reconnaissance receiving systems, positioners, position finding systems, cable, waveguide and high frequency and other antenna systems to the U.S. armed forces and friendly foreign governments.

The Network Products Group provides connection devices to data communications customers for use in corporate communications systems. Products include protocol converters, gateway devices, coaxial multiplexers and baluns.

Subsidiaries:

Andrew Data Corporation
Simi Valley & Torrence, California

Andrew Kintec Inc.
St. Petersburg, Florida
Manufactures pedestals and electronic controls for radio frequency and optical systems in military and defense markets.

Andrew KMW Systems Corporation
Austin, Texas

Andrew SciComm Inc.
Garland, Texas
Manufactures electronic radar and communications reconnaissance receiving equipment used in military and defense markets.
Dayton, Ohio
Fairfax, Virginia
Sunnyvale, California

Andrew VSAT Systems Inc.
San Jose, California
Systems supplier and manufacturer of very small aperture terminals.

Emerald Technology Inc.
Bothell, Washington

Unified Communications Inc. (47% owned)
Minneapolis, Minnesota

Andrew Canada Inc.
Whitby & Ottawa, Canada

Antennes Andrew S.A.R.L.
Paris, France

Andrew NPG, Ltds.
Workingham, Great Britain

Andrew Australia
Melbourne, Adelaide & Canberra, Australia

Andrew Antennas
Lochgelly & Weybridge, Great Britain

Andrew S.R.L.
Milan, Italy

Andrew Corporation
Tokyo, Japan

Andrew Corporation Mexico S.A. de C.V.
Mexico City, Mexico

Andrew AG
Zurich, Switzerland

Andrew SciComm GmbH
Stiegburg, West Germany

Transfer Agent(s):

Harris Trust & Savings Bank
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ANDW (NASDAQ)

Number of Employees:

1990	3,200	1987	2,297
1989	2,870	1986	2,331
1988	2,679		

Plant Footage:

1990	1,171,000 sq. ft.	1989	1,046,000

Sales & Earnings

	Net Sales	Net Income
1990	$ 365,990,000	$ 18,161,000
1989	301,859,000	16,235,000
1988	253,502,000	13,901,000
1987	223,185,000	3,814,000
1986	197,659,000	9,518,000

	No. of Com Shares ‡	Earn. per Share ‡
1990	10,079,000	$ 1.80
1989	10,022,000	1.62
1988	9,932,000	1.40
1987	10,083,000	0.38
1986	10,061,000	0.95

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Cellular	$ 74,000	$ 49,000
Land mobile	44,000	38,000
Common carrier	60,000	65,000
Private microwave	48,000	47,000
Broadcast	33,000	33,000
Government	66,000	61,000
Network	41,000	17,000
Total	$ 366,000	$ 302,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 198,524,000	$ 20.63
1989	182,187,000	18.19
1988	165,907,000	16.65
1987	152,013,000	15.05
1986	144,049,000	14.29

Income Account *
(000's)

Year ended Sept. 30	1990	1989
Net sales	$ 365,990	$ 301,859
Cost of sales	225,540	194,947
Expenses:		
Sales & adm.	82,957	61,951
Res. & develop.	22,564	17,021
Interest expense	5,181	3,497
Interest income	(1,054)	(1,039)
Other expense (income)	1,191	(704)
Income before taxes	$ 29,611	$ 26,186
Income taxes	11,450	9,951
Net Income	$ 18,161	$ 16,235

* Included in Costs and Expenses, Depreciation and Amortization: $17,421,000 in 1990 and $14,390,000 in 1989.

Assets
(000's)

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 13,823	$ 7,395
Accts. receiv., net	102,013	91,017
*Inventories	70,333	64,539
Other curr. assets	7,089	2,656
Current Assets	$ 189,258	$ 165,607
≠Fixed assets	64,638	52,058
Costs in exc. of assets acq.	46,304	30,866
Invest. in affil.	14,771	13,855
Assets held for sale	4,571	3,274
Total Assets	$ 319,542	$ 265,660

Liabilities
(000's)

	1990	1989
Notes payable	$ —	$ 20,000
Long-term debt, curr.	3,462	3,191
Accts. payable	14,020	12,866
Accruals	17,831	14,200
Accrued compensation	12,502	11,294
Income taxes	5,375	4,345
Curr. Liabilities	$ 53,190	$ 65,896
Long-term debt	63,447	15,568
Deferred liab.	4,381	2,009
+Common stock	102	102
Add. paid-in capital	27,749	27,275
Retained earnings	175,507	157,346
For. curr. trans. adjust.	4,781	(698)
Stock award	(227)	(78)
Treasury stock	(9,388)	(1,760)
Total Liabilities & Shareholders' Equity	$ 319,542	$ 265,660

* At lower of cost (LIFO & FIFO) or net realizable value.
≠ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	8.09	8.67
% Net Income to Sales	4.96	5.38
% Net Income to Equity	9.15	8.91
Sales to Inventories	5.20	4.68
Debt to Equity	0.34	0.21
Working Capital	$ 136,068,000	$ 99,711,000
Current Ratio	3.56	2.51
Shareholders' Equity	$ 198,524,000	$ 182,187,000

Apertus Technologies, Incorporated

(formerly Lee Data Corporation)

7275 Flying Cloud Drive
Minneapolis, Minnesota 55344
(612) 828-0300
FAX: (612) 828-0723

Officers: Robert D. Gordon, chairman, chief executive officer & president; Charles F. Karpinske, chief financial officer & v.p.-finance; Thomas A. Awe, v.p.-sales; Don C. McIlwain, v.p.-operations.

Directors: Nicholas J. Covatta, Jr., Robert W. Fischer, Clarence W. Spangle, Arch J. McGill, Robert E. Gordon.

Areas of Work: Develops and markets hardware and application software products to customers in the telecommunications services industry, which includes regional bell operating companies, independent telephone companies, and related communications businesses.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
Minneapolis, Minnesota 55344

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LEDA (NASDAQ)

Number of Employees:

1990	275	1987	1,075
1989	950	1986	1,133
1988	N.A.		

N.A. - Not Available

Sales & Earnings

	Revenues +	Net Income
1990	$ 63,033,000	$ (49,991,000)
1989	91,587,000	(4,643,000)
1988	101,495,000	(5,133,000)
1987	114,525,000	5,581,000
1986	93,068,000	2,098,000

	No. of Com Shares ‡	Earn. per Share ‡
1990	12,334,360	$ —
1989	12,324,174	—
1988	13,343,216	—
1987	14,461,000	0.39
1986	14,144,000	0.15

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 28,323,000	$ 2.30
1989	78,300,000	6.35
1988	83,288,000	6.24
1987	95,568,000	6.61
1986	89,495,000	6.33

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	4/1/90	4/2/89
Sales	$ 45,409	$ 72,375
Rentals & serv.	17,624	19,212
Total revenues	$ 63,033	$ 91,587
Cost of revenues	47,808	62,180
Expenses	33,826	36,084
Non-recurr. charge	33,130	—
Interest expense	1,282	1,243
Interest income	(1,641)	(1,675)
Other losses	—	1,493
Loss bef. taxes	$ (51,372)	$ (7,738)
Tax credit	(1,381)	(3,095)
Net Loss	$ (49,991)	$ (4,643)

* Included in Costs and Expenses, Depreciation and Amortization: $4,248,000 in 1990 and $6,835,000 in 1989.

Assets
(000's)

As of	4/1/90	1/2/89
Cash & cash equiv	$ 9,874	$ 8,938
Marketable securities	11,295	9,267
Accts. receiv., net	10,845	20,968
*Inventories	5,426	29,425
Installment receivables	1,307	2,518
Refund inc. taxes	—	549
Deferred inc. taxes	—	803
Other curr. assets	372	886
Current Assets	$ 39,119	$ 73,354
#Fixed assets	2,155	25,436
Prop. held for sale	12,525	—
Installment receivables	1,706	1,852
Defer. charges	169	3,757
Total Assets	$ 55,674	$ 104,399

Liabilities
(000's)

Long-term debt, curr	$ 510	$ 2,105
Accts. payable	3,349	5,884
Accruals	11,548	5,292
Income taxes	1,898	—
Curr. Liabilities	$ 17,305	$ 13,281
Long-term debt	10,046	10,709
Deferred inc. taxes	—	2,109
+Common stock	626	616
Add. paid-in capital	51,271	50,934
Retained earnings (deficit)	(23,241)	26,750
Unearned compensation	(333)	—
Total Liabilities & Shareholders' Equity	$ 55,674	$ 104,399

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.05 par value

Statistical Summary

Sales to Inventories	8.37	2.46
Debt to Equity	0.37	0.16
Working Capital	$ 21,814,000	$ 60,073,000
Current Ratio	2.26	5.52
Shareholders' Equity	$ 28,323,000	$ 78,300,000

Apple Computer, Inc.

20525 Mariani Avenue
Cupertino, California 95014
(408) 996-1010
FAX: (408) 996-0275

Officers: John Sculley, chairman & chief executive officer; Michael H. Spindler, president & chief operating officer; Albert A. Eisenstat, exec. v.p. & secretary; Joseph A. Graziano, exec. v.p. & chief financial officer; Kevin Sullivan, sr. v.p.-human resources; Soren Olsson, sr. v.p. & pres.-Apple Europe; Ian Diery, sr. v.p. & pres.-Apple Pacific; Robert L. Puette, sr. v.p. & pres.-Apple USA.

Directors: Peter O. Crisp, A. C. Markkula, Jr., Arthur Rock, John Sculley, Albert A. Eisenstat, John A. Rollwagen.

Areas of Work: The company designs, develops, produces, markets and services microprocessor-based personal computers and related software and other peripheral products.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AAPL (NASDAQ)

Number of Employees:

1990	14,528	1987	7,228
1989	14,517	1986	5,600
1988	10,800		

Sales & Earnings

	Net Sales	Net Income
1990	$ 5,558,435,000	$ 474,895,000
1989	5,284,013,000	454,033,000
1988	4,071,373,000	400,258,000
1987	2,661,068,000	217,496,000
1986	1,901,898,000	153,963,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	125,813,000	$ 3.77
1989	128,669,000	3.53
1988	129,900,000	3.08
1987	131,615,000	1.65
1986	128,630,000	1.20

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.44	—	—
1989	0.40	—	—
1988	0.32	—	—
1987	0.12	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 1,446,820,000	$ 11.50
1989	1,485,746,000	11.55
1988	1,003,425,000	7.72
1987	836,488,000	6.36
1986	694,087,000	5.40

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	9/28/90	9/29/89
Net sales	$ 5,558,435	$ 5,284,013
Cost of sales	2,606,223	2,694,823
Research & develop	478,019	420,083
Sell., gen., & adm	1,762,181	1,534,794
Interest income	(66,505)	(110,009)
Income before taxes	$ 778,517	$ 744,322
Income taxes	303,622	290,289
Net Income	$ 474,895	$ 454,033

* Included in Costs and Expenses, Depreciation and Amortization: $202,686,000 in 1990 and $124,800,000 in 1989.

Assets
(000's)

As of	9/28/90	9/29/89
Cash & cash equiv	$ 374,682	$ 438,300
Short-term invest	622,409	370,650
Accts. receiv., net	761,868	792,824
*Inventories	355,473	475,377
Prepaid inc. taxes	125,535	117,179
Other curr. assets	163,359	100,098
Current Assets	$ 2,403,326	$ 2,294,428
#Fixed assets	398,165	334,227
Other assets	174,216	115,244
Total Assets	$ 2,975,707	$ 2,743,899

Liabilities
(000's)

Notes payable	$ 122,630	$ 56,751
Accts. payable	340,575	334,157
Accrued compen.	115,513	106,666
Income taxes payable	33,241	85,790
Accrued mkting. & distr	164,713	167,022
Other curr. liab.	250,383	144,857
Curr. Liabilities	$ 1,027,055	$ 895,243
Deferred inc. taxes	501,832	362,910
+Common stock	136,555	315,279
Retained earnings	1,312,156	1,175,899
Cum. trans. adj.	4,142	(1,868)
Notes receiv. from shareholders	(6,033)	(3,564)
Total Liabilities & Shareholders' Equity	$ 2,975,707	$ 2,743,899

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ No par value

Statistical Summary

% Income bef. Taxes to Sales	14.01	14.09
% Net Income to Sales	8.54	8.59
% Net Income to Equity	32.82	30.56
Sales to Inventories	15.64	11.12
Debt to Equity	0.08	0.04
Working Capital	$ 1,376,271,000	$ 1,399,185,000
Current Ratio	2.34	2.56
Shareholders' Equity	$ 1,446,820,000	$ 1,485,746,000

Applied Magnetics Corporation

75 Robin Hill Road
Goleta, California 93117
(805) 683-5353
FAX: (805) 967-8227

Officers: Harold R. Frank, chairman of the board; Ben J. Newitt, vice chairman; William R. Anderson, president & chief executive officer; Robert C. Tetherow, exec. v.p.; Thomas W. Russell, v.p.; O. M. Fundingsland, exec. v.p.; Louis W. Rayer, v.p. & gen. mgr.-monolithic disk heads; Gordon P. Sprague, Jr., exec. v.p.; Raymond P. LeBlanc, v.p., secretary & general counsel; Barry D. Goss, v.p.-information systems & chief financial officer; Steven E. Beal, v.p.-sales; Marvin G. Norman, v.p.-materials & facilities; Robert E. Masoner, v.p. & gen. mgr.-composite disk heads; Michael J. Shillinger, v.p.- advanced manufacturing technology; Frank B. Williams, v.p.-human resources; Thomas L. Trenschel, v.p. & gen. mgr.-thin-film disk heads; James G. Evans, treasurer; Steve M. Neil, controller; Paul D. Frank, v.p. research & development.

Directors: Harold R. Frank, chairman; Ben J. Newitt, William E. Terry, Robert C. Tetherow, R. C. Mercure, Jr., Herbert M. Dwight, Jr., William R. Anderson.

Areas of Work: Designs, manufactures, repairs, refurbishes and sells various types of magnetic recording heads for both tape and disk computer peripheral drives.

Subsidiaries:

Applied Magnetics
Goleta, California

Applied Magnetics
Tape Head Operations
Santa Maria, California

Applied Magnetics
Optical Products Division
Monument, Colorado

Applied Magnetics
Brumko Division
Elkhorn, Nebraska

Nortronics Company, Inc.
An Applied Magnetics Company
Dassel, Minnesota

Applied Magnetics Belgium, N V
Brussels, Belgium

Applied Magnetics Belgium, N V
Turnhout, Belgium

Applied Magnetics Ireland, Ltd., Inc
Dublin, Ireland

Applied Magnetics Korea Ltd
Seoul, Korea

Applied Magnetics Japan, Ltd
Yokohama, Japan

Applied Magnetics (Malaysia) Sdn. Bhd
Penang, Malaysia

Applied Magnetics (Singapore) Pte. Ltd
Singapore

Magnetic Data, Inc
6754 Shady Oak Road
Eden Prairie, Minnesota 55344

Magnetic Data, Inc
Goleta, California

Magnetic Data Europe, N V
Turnhout, Belgium

Magnetic Data France SARL
Roissy Charles De Gaulle, France

Magnetic Data Germany GmbH
Frankfurt, Germany

Magnetic Data (UK) Limited
Chester, United Kingdom

Magnetic Data, Japan, Ltd
Yokohama, Japan

Magnetic Data (Singapore) Pte. Ltd
Singapore

Transfer Agent(s):

First Interstate Bank of California
P.O. Box 3667, Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York

Ticker Symbol: APM

Number of Employees:

1990	11,707	1987	6,940
1989	7,900	1986	4,070
1988	8,750		

Plant Footage:

1990	1,232,549 sq. ft.	1987	804,085
1989	1,232,549	1986	599,760
1988	1,232,750		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 368,349,000	$ (10,020,000)
1989	314,105,000	1,162,000
1988	293,024,000	23,731,000
1987	211,940,000	15,914,000
1986	128,119,000	3,012,000

	No. of Com. Shares †	Earn. per Share †
1990	16,038,436	$ —
1989	16,254,764	0.07
1988	16,206,528	1.46
1987	15,219,891	1.05
1986	14,173,015	0.21

(Loss)
+ Of continuing operations only
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock split

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	5%	—
1988	—	—	—
1987	—	—	2-for-1
1986	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 166,833,000	$ 10.40
1989	174,186,000	10.72
1988	168,316,000	10.39
1987	148,698,000	9.77
1986	97,792,000	6.90

‡ Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 368,349,000	$ 314,105,000
Cost of sales	293,190,00	243,612,000
Expenses	81,322,000	65,362,000
Interest income	(742,000)	(2,299,000)
Interest expense	5,766,000	5,909,000
Other expense (income)	(37,000)	9,000
Inc. (loss) bef. taxes	$ (11,150,000)	$ 1,512,000
Income taxes (credit)	(1,130,000)	350,000
Net Income (Loss)	$ (10,020,000)	$ 1,162,000

* Included in Costs and Expenses, Depreciation and Amortization: $25,310,000 in 1990 and $19,098,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 3,098,000	$ 8,141,000
Accts. receiv., net	65,254,000	53,911,000
Notes receiv., net	—	17,033,000
*Inventories	74,175,000	47,924,000
Income taxes	982,000	2,608,000
Prepaid expenses	8,170,000	5,362,000
Current Assets	$ 151,679,000	$ 134,979,000
#Fixed assets	157,851,000	143,258,000
Cost in exc. of assets acq.	11,419,000	11,920,000
Notes receiv.	3,014,000	2,764,000
Other assets	2,930,000	2,798,000
Total Assets	$ 326,893,000	$ 295,719,000

Liabilities

	1990	1989
Long-term debt, curr.	$ 2,844,000	$ 366,000
Notes payable	20,020,000	3,295,000
Accts. payable	35,707,000	26,091,000
Accrued payroll & other liab.	13,308,000	11,603,000
Other curr. liab.	8,022,000	4,285,000
Curr. Liabilities	$ 79,901,000	$ 45,640,000
Long-term debt	69,403,000	64,715,000
Def. income taxes	493,000	1,747,000
Other liabilities	10,263,000	9,431,000
+Common stock	1,622,000	1,601,000
Add. paid-in capital	108,308,000	106,698,000
Retained earnings	59,010,000	69,030,000
Cum. trans. adjust.	2,410,000	790,000
Treasury stock	(658,000)	—
Unearned restric. stock comp.	(3,859,000)	(3,933,000)
Total Liabilities & Shareholders' Equity	$ 326,893,000	$ 295,719,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value

Statistical Summary

% Income bef. Taxes to Sales	—	0.48
% Net Income to Sales	—	0.37
% Net Income to Equity	—	0.67
Sales to Inventories	4.97	6.55
Debt to Equity	0.55	0.39
Working Capital	$ 71,778,000	$ 89,339,000
Current Ratio	1.90	2.96
Shareholders' Equity	$ 166,833,000	$ 174,186,000

Applied Materials, Inc.

3050 Bowers Avenue
Santa Clara, California 95054-3299
(408) 727-5555
FAX: (408) 748-9943

P.O. Box 58039
Santa Clara, California 95052-8039

Officers: James C. Morgan, chairman & chief exec. officer; James W. Bagley, president & chief operating officer; Peter R. Hanley, group v.p.; Dan Maydan, exec. v.p.; Gerald F. Taylor, v.p., finance & chief financial officer; Dana C. Ditmore, v.p.-Customer Service Division; Shigeo Tashiro, v.p.-Japan Operations; David N.K. Wang, v.p.-CVD division and Etch; Tetsuo Iwasaki, v.p., & pres.-Applied Materials Japan; Steven A. Lindsay, v.p.-customer business group; Howard L. Neff, v.p.-Corporate Operations; John G. Stewart, v.p.-Applied Implant Technology; Sasson Somekh, v.p.-Applied Conductor Technologies; Glen O. Toney, v.p.-human resources; Nancy H. Handel, treasurer; Michael J. Praisner, corporate controller; Donald A. Slichter, secretary.

Directors: James C. Morgan, chairman; James W. Bagley, Herbert M. Dwight, Jr., George B. Farnsworth, Philip V. Gerdine; Alfred J. Stein, Hiroo Toyoda.

Areas of Work: Develops, manufactures and markets semiconductor wafer processing equipment, including epitaxial reactors, plasma etch systems, ion implanters, chemical vapor deposition systems, and physical vapor depositions systems.

Divisions:

Etch Products Division
Applied Deposition Technology Division
Epitaxial Products Division
Customer Service Division
Applied Conductor Technologies (ACT)
Applied CVD and Etch Technologies (ACET)
Applied Implant Technologies (AIT)
Implant Division

Subsidiaries:

Applied Materials Europe B.V.
Amsterdam, The Netherlands

Applied Materials Limited
Bracknell, Berks, United Kingdom
Livingston, Scotland

Applied Materials S.A.R.L.
Paris, France
Milan, Italy

Applied Materials GmbH
Boblingen, Munich & Stuttgart, West Germany

Applied Materials International B.V.
Netherlamds

Applied Materials (Israel) Ltd
Israel

Applied Materials Japan
Tokyo, Kumamoto, Niigata, Oita, Osaka, Sendai, Nagaoka,
Uozu, Japan
Tokyo, Kumamoto, Narita, Niigata, Ohita, Osaka & Sendai, Japan

II-I, Inc
California

Applied Materials China Service Center
Beijing, Shanghai, People's Republic of China

Applied Materials Hong Kong, Ltd.
Hong Kong

Applied Materials Asia/Pacific, Ltd.
Seoul, South Korea

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AMAT (NASDAQ)

Number of Employees:

1990	3,281	1987	1,406
1989	2,651	1986	1,415
1988	1,765		

Plant Footage:

1990	937,119 sq. ft.	1987	633,600
1989	633,600	1986	633,600
1988	633,600		

Sales & Earnings

	Net Sales	Net Income
1990	$ 567,130,000	$ 34,073,000
1989	501,846,000	51,484,000
1988	362,758,000	40,020,000
1987	174,444,000	336,000
1986	149,261,000	1,860,000

	No. of Com Shares ‡	Earn. per Share ‡
1990	17,036,000	$ 2.00
1989	16,757,000	3.07
1988	16,491,000	2.43
1987	14,140,000	0.02
1986	13,322,000	0.14

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 300,308,000	$ 18.05
1989	254,399,000	15.70
1988	200,807,000	12.67
1987	153,608,000	9.93
1986	93,746,000	7.14

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	10/28/90	10/29/89
Net sales	$ 567,130	$ 501,846
Cost of sales	302,001	257,149
Expenses		
Research & develop.	97,066	72,296
Marketing & selling	68,238	56,159
Gen. & administrative	40,875	32,776
Interest expense	6,717	2,768
Interest income	(1,851)	(3,704)
Income bef. taxes	$ 54,084	$ 84,402
Income taxes	20,011	32,918
Net Income	$ 34,073	$ 51,484

* Included in Costs and Expenses, Depreciation and Amortization: $15,976,000 in 1990 and $11,746,000 in 1989.

Assets
(000's)

As of	10/28/90	10/29/89
Cash & cash equiv.	$ 57,117	$ 57,426
Short-term invest.	14,899	49,682
Accts. receiv., net	147,267	131,563
*Inventories	102,272	77,015
Deferred inc. taxes	27,820	21,063
Other curr. assets	17,519	6,195
Current Assets	$ 366,894	$ 342,944
#Fixed assets	181,494	82,127
Other assets	9,621	8,786
Total Assets	$ 558,009	$ 433,857

Liabilities
(000's)

Notes payable	$ 23,483	$ 12,531
Long-term debt, curr.	3,930	1,771
Accts. payable & accruals	154,537	122,888
Income taxes pay.	13,288	5,662
Curr. Liabilities	$ 195,238	$ 142,852
Long-term debt	53,611	29,445
Deferred inc. taxes	7,837	6,057
Other obligations	1,015	1,104
+Common stock	167	162
Add. paid-in capital	126,398	121,948
Retained earnings	159,824	125,751
Cum. trans. adjust.	13,919	6,538
Total Liabilities & Shareholders' Equity	$ 558,009	$ 433,857

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	9354	16.82
% Net Income to Sales	6.01	10.26
% Net Income to Equity	11.35	20.24
Sales to Inventories	5.55	6.52
Debt to Equity	0.27	0.17
Working Capital	$ 171,656,000	$ 200,092,000
Current Ratio	1.88	2.40
Shareholders' Equity	$ 300,308,000	$ 254,399,000

Applied Power Inc.

13000 West Silver Spring Drive
Butler, Wisconsin 53007
(414) 781-6600
FAX (414) 781-1049

Mailing Address
P.O. Box 325
Milwaukee, Wisconsin 53201-0325

Officers: Richard G. Sim, Chairman of the board & chief exec. officer; Robert T. Foote, Jr., v.p. & chief financial officer; Theodore M. Lecher, v.p. & president-GB Electrical, Inc.; Hermann E. Braunn, v.p. & pres.-Enerpac; Robert G. Deuster, v.p. & president-Barry Controls; Orlin P. Yenerich, v.p. & pres.-Wright Line Inc.; Michael D. O'Toole, v.p.-Enerpac Operations; Dale A. Knutson, v.p.-Technology; Martin E. Pschirrer, v.p.; Brian J. Tuttle, treasurer & asst. secretary; Barbara R. Harris, v.p.-human resources; Karen O. Trickle, assistant treasurer; Anthony W. Asmuth, III, secretary.

Directors: Richard G. Sim, chairman; Raymond S. Troubh, Robert M. Hoffer, Richard M. Jones, R.D. Ziegler

Areas of Work: Applied Power is a global company which manufactures and distributes tools, equipment, systems, components and consumable items to the manufacturing, construction, transportation, mobile equipment, medical equipment, specialized machinery, defense, aircraft, natural resource and office markets. The Company's products are based on hydraulic, electrical power, electronic control, sensor, rubber molding, and vibration control technologies. Applied Power also serves more than 20,000 hardware and do-it-yourself consumer outlets by direct contact with 200 central purchasing operations.

Divisions and Subsidiaries:

NORTH AND SOUTH AMERICA

Enerpac
Butler, Wisconsin

Vlier Enerpac
Butler, Wisconsin
Burbank, California

Applied Power International Ltd
Miami, Florida

Power-Packer
Butler, Wisconsin

Barry Controls
Brighton, Massachusetts
Burbank, California

Wright Line
Data File
Plymouth, Minnesota

Wright Line Inc
Worcester, Massachusetts

ElectroMechanics
High Point, North Carolina

GB Electrical, Inc.
Glendale, Wisconsin

Apitech
Butler, Wisconsin

Enerpac
Applied Power Canada Ltd
Toronto, Canada

Wright Line of Canada Ltd
Toronto, Canada

Enerpac
Applied Power (Mexico) S.A. de C.V.
Pachuca, Hidalgo, Mexico

Power-Packer do Brasil Ltd
Sao Paulo, Brazil
WESTERN EUROPE

Enerpac Ltd
Ashford, Kent, United Kingdom

Barry Controls Ltd
Walton-on-Thames, Surrey, United Kingdom

Wright Line
DataFile Ltd
Luton, Bedfordshire, United Kingdom

Enerpac S.A.
Paris, France

Norelem S.A.
Paris, France

Power-Packer
Matairco/Hydro-Air S.A.
Paris, France

Enerpac
Applied Power Italiana S.p.A.
Milan, Italy

Enerpac B.V.
Veenendaal, Netherlands

Power-Packer Europa B.V.
Oldenzaal, Netherlands

Applied Power Inc.

Enerpac
Applied Power International, S.A.
Madrid, Spain

Power-Packer Espana, S.A.
Torrijos, Spain

Enerpac
Applied Power International, S.A.
Geneva, Switzerland

Enerpac
Applied Power GmbH
Dusseldorf, West Germany

Barry Controls GmbH
Barry Controls International
Raunheim, West Germany

Wright Line GmbH
Frankfurt, West Germany

FAR EAST

Enerpac
Applied Power Australia Ltd
Sydney, Australia

Wright Line
DataFile Pty. Ltd
Rydalmere, Australia

Enerpac
Applied Power New Zealand Ltd
Auckland, New Zealand

Enerpac
Toyo Hydraulic Equipment Co
Tokyo, Japan

Power-Packer
Sanwa-Packer, Ltd
Yono City, Japan

Enerpac
Applied Power Asia Pte. Ltd
Singapore

Enerpac
Applied Power Korea Ltd
Seoul, Korea

Barry Wright Corporation
Manufactures and markets engineered components to control vibration and shock, and integrated filing systems.

Magnum
Manufactures an innovative vehicle mounted air compressor

Thermotool
Specializes in equipment to bend plastic conduit

Norelem
Specializes in workholding components

Gardner Bender, Inc

Transfer Agent(s):

Class A Common:
First Wisconsin Trust Company
P.O. Box 2077
Milwaukee, Wisconsin 53201

Class B Common:
Applied Power Inc.
P.O. Box 325
Milwaukee, Wisconsin 53201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: APWRA (NASDAQ)

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 445,398,000	$ 19,563,000
1989	246,221,000	19,828,000
1988	177,054,000	14,547,000
1987	129,449,000	6,472,000
1986	113,039,000	5,782,000

	No. of Com. Shares #	Earn. per Share ‡ †
1990	12,770,000	$ 1.48
1989	12,719,000	1.51
1988	12,625,000	1.12
1987	12,456,000	0.64
1986	9,144,000	0.59

‡ Including extraordinary gain of $650,000 ($0.05 per share) in 1988.
# Adjusted to reflect stock splits.
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1990	1989
Enerpac	$ 179,470,000	$ 119,637,000
GB Electrical	45,551,000	32,938,000
Barry Controls	90,801,000	13,928,000
Wright Line	85,850,000	13,205,000
APITECH	4,237,000	5,996,000
Power-Packer	39,489,000	40,517,000
Total	$ 445,398,000	$ 246,221,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.12	—	—
1989	0.11	—	2-for-1
1988	0.10	—	—
1987	0.10	—	3-for-1
1986	0.10	—	—

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 115,450,000	$ 9.04
1989	86,684,000	6.82
1988	69,963,000	5.54
1987	57,012,000	4.58
1986	42,944,000 ‡	4.70

‡ After allowing for preferred stock at stated value.
† Adjusted to reflect stock splits.

Income Account *

Year ended Aug. 31	1990	1989
Net sales	$ 445,398,000	$ 246,221,000
Cost of sales	263,338,000	145,241,000
Expenses	121,952,000	64,329,000
Interest expense	20,384,000	7,850,000
Amortization of intangibles	4,968,000	2,090,000
For. curr. exch.	391,000	(112,000)
Eq. in inc. of Hein-Werner	—	(1,455,000)
Unusual items	—	(4,675,000)
Income bef. taxes	$ 34,365,000	$ 32,953,000
Income taxes	14,802,000	13,125,000
Net Income	$ 19,563,000	$ 19,828,000

* Included in Costs and Expenses, Depreciation and Amortization: $19,888,000 in 1990 and $8,670,000 in 1989.

Assets

As of Aug. 31	1990	1989
Cash & cash equiv.	$ 6,520,000	$ 19,885,000
Accts. receiv., net	83,275,000	78,086,000
*Inventories	93,136,000	73,782,000
Invest. in bus. held for sale	—	10,539,000
Prepaid expenses	8,541,000	10,944,000
Current Assets	$ 191,472,000	$ 193,236,000
#Fixed assets	90,087,000	81,721,000
Exc. of cost over assets acq.	83,824,000	76,522,000
Intangibles	20,442,000	13,865,000
Other assets	7,725,000	5,657,000
Total Assets	$ 393,550,000	$ 371,001,000

Liabilities

	1990	1989
Short-term debt	$ 52,719,000	$ 22,482,000
Long-term d. in. curr.	723,000	244,000
Accts. payable	34,225,000	28,336,000
Accrued payroll	12,486,000	15,474,000
Other accruals	17,627,000	31,073,000
Income taxes	8,720,000	6,763,000
Current Liabilities	$ 126,500,000	$ 104,372,000
Long-term debt	141,755,000	168,924,000
Deferred liabilities	9,845,000	11,021,000
†Class A Common stock	2,077,000	2,064,000
†Class B Common stock	477,000	480,000
Add. paid-in capital	21,616,000	21,293,000
Retained earnings	83,091,000	65,087,000
For. curr. trans. adjust.	8,889,000	(844,000)
Notes receiv. from officer	(391,000)	(391,000)
ESOP owned stock	—	(624,000)
Note receiv. from ESOP	(309,000)	(381,000)
Total Liabilities & Shareholders' Equity	$ 393,550,000	$ 371,001,000

* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO or average.
# Less accumulated depreciation.
† $0.20 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	7.72	13.38
% Net Income to Sales	4.39	8.05
% Net Income to Equity	16.94	22.87
Sales to Inventories	4.78	3.34
Debt to Equity	1.69	2.21
Working Capital	$ 64,972,000	$ 83,364,000
Current Ratio	1.51	1.76
Shareholders Equity	$ 115,450,000	$ 86,684,000

Applied Solar Energy Corporation

(73.5%-owned by American Cyanamid Company)

15251 E. Don Julian Road
P.O. Box 1212
City of Industry, California 91749-1212
(818) 968-6581
FAX: (818) 336-8694

Officers: Charles A. Ruibal, chairman of the board; Gerard McLarnon, president & chief executive officer; Frank F. Ho, v.p.-solar cell engineering; John Tracy, v.p.-optoelectronic products; Earl D. Hackman, director of finance; Brian J. Sullivan, controller & corporate secretary.

Directors: Charles A. Ruibal, chairman; Jerry Grey, Eugene B. Konecci, Frederick W. Armstrong, Albert J. Costello, Larry Ellberger, Gerard McLarnon

Areas of Work: Engaged in two major business units, one producing gallium arsenide and silicon solar cells which convert sunlight directly into electrical power, for the space and defense industry. The second business unit is responsible for the development and sale of photosensor devices and laser assemblies.

Transfer Agent(s):

U.S. Stock Transfer Corp.
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOLR (NASDAQ)

Number of Employees:

1990	275	1987	N A
1989	280	1986	255
1988	251		

Plant Footage:

1990	135,100 sq. ft.	1987	N A
1989	135,100	1986	89,600
1988	135,100		

Sales & Earnings

	Revenues *	Net Income ≠
1990	$ 29,428,000	$ (868,000)
1989	21,725,000	(1,842,000)
1988	25,789,000	(3,090,000)
1987	28,675,000	1,262,000
1986	15,220,000	(2,727,000)

	No. of Com. Shares ‡	Earn. per Share ≠ ‡
1990	3,418,000	$ —
1989	3,390,000	—
1988	3,378,000	—
1987	3,384,000	0.37
1986	3,369,000	—

(Loss)
* Includes other revenues.
≠ Including extraordinary gain of $283,000 ($0.08 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 11,708,000	$ 3.41
1989	12,576,000	3.71
1988	14,030,000	4.15
1987	17,108,000	5.06
1986	15,761,000	4.68

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	10/27/90	10/28/89
Revenues		
Product sales	$ 27,443	$ 20,614
Res. & develop. contracts	1,985	1,111
Total revenues	$ 29,428	$ 21,725
Cost of revenues	21,894	15,681
Expenses		
Res. & prod. develop.	2,392	2,597
Sell., adm. & general	5,196	5,538
Interest expense	814	968
Loss-cont. oper.	$ (868)	$ (3,059)
Inc.-discont. oper.	—	1,217
Net Loss	$ (868)	$ (1,842)

* Included in Costs and Expenses, Depreciation and Amortization: $3,220,000 in 1990 and $3,085,000 in 1989.

Assets
(000's)

As of	10/27/90	10/28/89
Cash & cash equiv.	$ 37	$ 100
Accts. receiv., net	1,789	2,535
Costs in exc. of billings	169	2,137
*Inventories	3,795	3,040
Prepaid expenses	577	613
Current Assets	$ 6,367	$ 8,425
≠Fixed assets	16,987	18,976
Other assets	278	216
Total assets	$ 23,632	$ 27,617

Liabilities
(000's)

Pay. to majority stockholder	$ 7,548	$ 9,181
Long-term debt, curr.	59	48
Accts. payable	1,367	2,800
Accrued comp.	838	954
Other accruals	1,117	1,004
Curr. Liabilities	$ 10,929	$ 13,987
Long-term debt	936	995
Deferred taxes	59	54
•Common stock	21,415	21,415
Retained earnings (deficit)	(9,707)	(8,839)
Total Liabilities & Shareholders' Equity	$ 23,632	$ 27,617

* At lower of average cost or market.
≠ Less accumulated depreciation and amortization.
• No par value.

Statistical Summary

Sales to Inventories	7.23	7.01
Debt to Equity	0.73	0.81
Shareholders' Equity	$ 11,708,000	$ 12,576,000

ARC International Corporation

4000 Chesswood Drive
Downsview, Ontario M3J 2B9 Canada
(416) 630-0200
FAX: (416) 630-4414

Officers: Arnold S. Tenney, president & chief exec. officer; Philip A. Halpern, v.p.-finance & corp. secretary; Stewart W. Chapman, v.p.; Jeffrey D. Chelin, controller & assistant secretary; Richard W. Noble, controller-U.S. Operations.

Directors: Stewart W. Chapman, Jeffrey D. Chelin, Philip A. Halpern, Robert H. Lane, Arnold S. Tenney, J. Ronald Woods, John R. Cunnane.

Areas of Work: The Company's operations are principally in five industries. Cable television operations include the distribution of cable and related equipment to the Canadian cable television industry and the manufacture of coaxial connectors used in the cable television industry. Ultraviolet operations include the design, manufacture, assembly and sale of plasma arc lamps, accessories, power control equipment and photo exposure equipment used for the printed circuit board industry. Theatre and Restaurant includes the design, manufacture, assembly and sale of motion picture projectors, sound systems, lamphouses, rectifiers, follow spotlights and a line of electric and gas powered pressure fryers and related accessories. The Telecommunications and Testing segment includes the manufacuture, assembly and sale of wave guides and other components for microwave and transmission and the design, manufacture, assembly, sale and servicing of hardness, micro-hardness and tensile testing equipment. The Other segment includes the sale of phosphorescent pigment and production and sale of phosphorescent coated vinyl sheeting.

Subsidiaries:

Cabletel Communications, Inc.
120 Gibson Drive
Markham, Ontario L3R 2Z3 Canada

Stirling Connectors, Inc.
211 Telson Road
Markham, Ontario L3R 1E7 Canada

Colight
820 Decatur Avenue
North Golden Valley
Minneapolis, Minnesota 55427

Canrad
100 Chestnut Street
Newark, New Jersey 07105

Ballantyne of Omaha, Inc.
Strong International
4350 McKinley Road
Omaha, Nebraska 68112

Hanovia Lamp, Inc.
100 Chestnut Street
Newark, New Jersey 07105

Wilson Instruments, Inc.
6 Emma Street
Binghamton, New York 13905

Rockwell Hardness Testers, Ltd.
Sandy Lane
Stourport-on-Severn
Worcestershire DY1390A England

Precision Technology, Inc.
100 Chestnut Street
Newark, New Jersey 07105
60 Grafton Road
Auckland, New Zealand

Transfer Agent(s):

Central Guaranty Trust Company
85 Richmond Street West
Suite 800
Toronto, Ontario M5H 4A3 Canada

Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): American, Toronto

Ticker Symbol: ATV

Number of Employees

1990	500	1989	600

Plant Footage

1990	500,000 sq. ft.	1989	500,000

Sales & Earnings

	Net Sales	Net Income
12/31/90	$ 83,850,000	$ (1,615,000)
12/31/89	88,116,000	(6,262,000)
12/31/88*	19,528,000	(300,000)
4/30/88	24,154,000	631,000
4/30/87	18,127,000	607,000

	No. of Com. Shares	Earn. per Share +
12/31/90	8,075,295	$ —
12/31/89	6,929,217	—
12/31/88*	6,405,965	—
4/30/88	5,955,073	0.11
4/30/87	5,554,301	0.10

(Loss)
* 8 months.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Cable television	$ 32,700,000	$ 34,449,000
Ultraviolet	15,231,000	15,396,000
Theatre and restaurant	17,624,000	17,787,000
Measurement & materials test	15,097,000	18,391,000
Other	3,198,000	2,093,000
Total	$ 83,850,000	$ 88,116,000

Common Stock Equity

	Total Equity	Equity Per Share
12/31/90	$ 5,690,000	$ 0.70
12/31/89	6,411,000	0.93
12/31/88	11,269,000	1.76
4/30/88	9,772,000	1.64
4/30/87	8,399,000	1.51

ARC International Corporation

Income Account *

Year ended Dec 31	1990	1989
Net sales	$ 83,849,961	$ 88,116,393
Cost of sales	66,520,635	70,315,142
Expenses	15,941,279	15,415,339
Interest expense	3,800,066	4,024,842
Other income	(776,321)	(518,432)
Restruc. charge	—	4,905,688
Loss bef. taxes	$ (1,635,698)	$ (6,026,186)
Income taxes (credit)	(20,311)	236,209
Net Loss	$ (1,615,387)	$ (6,262,395)

* Included in Costs and Expenses, Depreciation and Amortization: $1,978,984 in 1990 and $1,636,827 in 1989.

Assets

As of Dec 31	1990	1989
Cash & short-term deposits	$ 1,388,363	$ 676,927
Accts. receiv., net	9,130,181	11,884,457
Refundable taxes	965,422	820,000
*Inventories	16,738,754	18,363,128
Prepaid expenses	1,164,777	1,001,868
Current Assets	$ 29,387,497	$ 32,746,380
Assets held for sale	812,399	2,000,000
Receivables	882,238	1,150,465
Mortgage receiv.	—	949,850
Investments	—	276,646
#Fixed assets	12,177,669	12,705,145
Intangibles	6,945,840	5,309,707
Other assets	487,339	412,809
Deferred inc. taxes	—	320,804
Total Assets	$ 50,692,982	$ 55,871,806

Liabilities

	1990	1989
Bank indebtedness	$ 2,936,274	$ 4,106,992
Long-term debt, curr.	313,185	385,854
Accts. payable & accruals	10,406,371	11,116,947
Income taxes	210,415	232,007
Deferred income	89,658	92,395
Current Liabilities	$ 13,955,903	$ 15,934,195
Long-term debt	27,228,502	29,587,313
Deferred inc. taxes	327,196	—
Deferred income	144,485	231,936
Other liabilities	3,346,617	3,707,434
+Common stock	11,180,911	12,380,114
Retained earnings (deficit)	(6,199,077)	(6,583,690)
For. curr. trans. adjust.	708,445	614,504
Total Liabilities & Shareholders' Equity	$ 50,692,982	$ 55,871,806

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1990	1989
Sales to Inventories	5.01	4.80
Debt to Equity	5.36	5.32
Working Capital	$ 15,431,594	$ 16,812,185
Current Ratio	2.11	2.06
Shareholders Equity	$ 5,690,279	$ 6,410,928

Armatron International, Inc.

2 Main Street
Melrose, Massachusetts 02176
(617) 321-2300

Officers: Charles J. Housman, president & treasurer; Sal DeYoreo, v.p.; Elliot J. Englander, clerk

Directors: Charles J. Housman, chairman; Edward I. Housman; Elliot J. Englander; Craig Spangenberg; William Welsh

Areas of Work: The Company operates principally in two segments, the Consumer Products segment and the Industrial Products segment. Operations in the Consumer Products segment involve the manufacture and distribution of bugkillers, chipper/shredders, compost bins and leaf-eaters. The Industrial Products segment consists mainly of the import and sale of radios to a major automobile manufacturer.

Divisions:

Automatic Radio Division

Flowtron Outdoor Products Division

Transfer Agent(s):

Registrar and Transfer Co.
New Jersey

Stock Exchange(s): American

Ticker Symbol: ART

Number of Employees: (yearly average)

1990	175	1988	178
1989	160	1987	178

Plant Footage:

1990	84,000 sq. ft.	1988	84,000
1989	84,000	1987	50,000

Sales & Earnings

	Net Sales ‡	Net Income †
1990	$ 32,469,000	$ 676,000
1989	41,064,000	1,410,000
1988	33,181,000	130,000
1987	21,343,000	(871,000)
1986	23,310,000	(11,489,000)

	No. of Com. Shares #	Earn. per Share † #
1990	2,540,871	$ 0.27
1989	2,540,871	0.55
1988	2,540,871	0.05
1987	2,540,871	—
1986	2,543,446	—

(Loss)
‡ Of continuing operations only.
† Including extraordinary gains of $130,000 ($0.05 per share) in 1990, $260,000 ($0.10 per share) in 1989 and $33,000 ($0.01 per share) in 1988.
# Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Consumer products	$ 20,593,000	$ 19,269,000
Industrial products	11,876,000	21,795,000
Total	$ 32,469,000	$ 41,064,000

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 6,407,000	$ 2.52
1989	5,731,000	2.26
1988	4,321,000	1.70
1987	4,191,000	1.65
1986	5,051,000	1.99

Based on the weighted average number of shares outstanding.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 32,469,000	$ 41,064,000
Cost of sales	25,746,000	33,172,000
Expenses	5,151,000	5,851,000
Interest expense	875,000	1,170,000
Gain on sale of rl. est.	—	(584,000)
Other income	(74,000)	(170,000)
Inc. bef. taxes	$ 771,000	$ 1,625,000
Income taxes	225,000	475,000
Net Income	$ 546,000	$ 1,150,000
Extraord. gain	130,000	260,000
Net Income & extraord. gain	$ 676,000	$ 1,410,000

* Included in Costs and Expenses, Depreciation and Amortization: $613,000 in 1990 and $597,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 3,141,000	$ 22,000
Accts. receiv., net	4,916,000	8,556,000
*Inventories	5,389,000	7,107,000
Prepaid expenses	398,000	259,000
Current Assets	$ 13,844,000	$ 15,944,000
#Fixed assets	1,253,000	1,351,000
Other assets	100,000	128,000
Total Assets	$ 15,197,000	$ 17,423,000

Liabilities

	1990	1989
Notes payable	$ —	$ 7,400,000
Long-term debt, curr.	11,000	19,000
Accts. payable	2,318,000	1,653,000
Accruals		
Advertising	401,000	393,000
Interest	89,000	145,000
Payroll	190,000	219,000
Other	740,000	854,000
Curr. Liabilities	$ 3,749,000	$ 10,683,000
Long-term debt	5,041,000	1,009,000
+Common stock	2,606,000	2,606,000
Add. paid-in capital	6,770,000	6,770,000
Retained earnings (deficit)	(2,723,000)	(3,399,000)
Treasury stock	(246,000)	(246,000)
Total Liabilities & Shareholders' Equity	$ 15,197,000	$ 17,423,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1990	1989
%Income bef. Taxes to Sales	2.37	3.18
% Net Income to Sales	1.68	2.25
% Net Income to Equity	8.52	20.07
Sales to Inventories	6.03	7.19
Debt to Equity	0.79	1.47
Working Capital	$ 10,095,000	$ 5,261,000
Current Ratio	3.69	1.49
Shareholders' Equity	$ 6,407,000	$ 5,731,000

Arrow Electronics, Inc.

25 Hub Drive
Melville, New York 11747
(516) 391-1300
FAX (516) 391-1644

Officers: John C. Waddell, chairman of the board; Stephen P. Kaufman, president & chief exec. officer; Steven W. Menefee, v.p. & president-Arrow/Kierulff Electronics Group; Robert E. Klatell, sr. v.p., general counsel, secretary & treasurer; Thomas F. Hallam, v.p.; Wesley S. Sagawa, v.p.; William J. Smith, v.p.; Don E. Burton, v.p.; Thomas S. Catalano, v.p. & controller; Robert J. McInervey, v.p. & president-Commercial Systems Group; John S. Smith, v.p.; Betty Jane Scheihing, v.p.

Directors: John C. Waddell, chairman; Thomas M. Davidson, Stephen P. Kaufman, Lawrence R. Kern, Daniel W. Duval, J. Spencer Gould, Robert E. Klatell, Carlo Giersch

Areas of Work: Distributors of electronic components, systems and related products.

Divisions and Subsidiaries:

Arrow Commercial Systems Group
Melville, New York
Distributor of computer products and peripherals

Arrow/Kierulff Electronics Group
Melville, New York
Distributor of semiconductor and OEM computer products

Spoerle Electronic Handelsgesellschaft mbH & Co.
(40% owned)
West Germany
Electronics distributor in West Germany

MTI Systems Division
Melville, New York
Distributor of computer products, PC networking solutions, and mini and micro systems

Capstone Electronics Corp.
Aurora, Colorado
Distributor of passive, electromechanical, and connector components

Arrow Electronics (U.K.) Ltd.
England
Distributor of semiconductors, passive, electromechanical, and connector components

RR Electronics Ltd.
Bedford, England
Electronics distributor

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Department
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: ARW

Number of Employees:

1990	2,280	1988	2,775
1989	2,400		

Sales & Earnings

	Net Sales +	Net Income *
1990	$ 970,944,000	$ 10,105,000
1989	925,207,000	3,214,000
1988	1,006,379,000	23,201,000
1987	562,399,000	(2,887,000)
1986	501,795,000	(31,899,000)

	No. of Com. Shares ‡	Earn. per Share * ‡
1990	11,926,000	$ 0.44
1989	11,760,000	
1988	11,503,000	1.55
1987	6,700,000	
1986	6,527,000	

( ) Loss
+ Of continuing operations only
* Including extraordinary loss of $3,632,000 in 1986
‡ Based on the average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	0.15	—	—

Common Stock Equity

	Total Equity +	Equity Per Share ≠
1990	$ 91,882,000	$ 7.70
1989	79,977,000	6.80
1988	78,172,000	6.80
1987	27,247,000	4.07
1986	32,921,000	5.04

+ After allowing for preferred stock at liquidation value
≠ Based on the average number of shares outstanding

Income Account
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 970,944	$ 925,207
Cost of sales	767,014	727,493
Expenses	162,081	161,477
Depreciation & amortization	9,167	8,680
Interest expense	28,972	29,809
Eq. in earn. of affil. co.	(6,395)	(5,466)
Net Income	$ 10,105	$ 3,214

Assets
(000's)

As of Dec. 31	1990	1989
Cash & short-term invest.	$ 859	$ 4,642
Accts. receiv., net	138,095	151,538
*Inventories	184,821	182,040
Prepaid expenses	3,307	3,948
Current Assets	$ 327,082	$ 342,168
≠Fixed assets	29,406	30,331
Invest. in affil. co.	57,267	45,061
Cost in exc. of assets acq.	51,166	52,125
Other assets	13,124	13,843
Total Assets	$ 478,045	$ 483,528

Liabilities
(000's)

Notes payable	$ 1,721	$ 2,844
Long-term debt, curr.	5,183	1,811
Accts. payable	57,872	57,672
Accruals	25,469	25,776
Accrued interest	5,621	5,920
Curr. Liabilities	$ 95,866	$ 94,023
Long-term debt	100,959	108,481
Def. inc. taxes & other liab.	23,953	23,996
Subord. deben.	106,095	107,051
+ Preferred stock	237	280
++ Common stock	11,962	11,851
Add. paid-in capital	136,624	141,930
Retained earn. (deficit)	(290)	(5,323)
For. curr. trans. adjust.	3,614	2,031
Treasury stock	(81)	(21)
Emp. stock awards	(894)	(771)
Total Liabilities & Shareholders' Equity	$ 478,045	$ 483,528

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $1 par value; $19.375 convertible exchangeable
++ $1 par value

Statistical Summary

% Net Income to Sales	1.04	0.35
% Net Income to Equity	6.68	2.14
Sales to Inventories	5.25	5.08
Debt to Equity	0.71	0.75
Working Capital	$ 231,216,000	$ 248,145,000
Current Ratio	3.41	3.64
Shareholders' Equity	$ 151,172,000	$ 149,977,000

Arvin Industries, Inc.

One Noblitt Plaza, Box 3000
Columbus, Indiana 47202-3000
(812) 379-3000
FAX (812) 379-3688

Officers: James K. Baker, chairman & chief exec. officer; Loren K. Evans, president & chief operating officer; Richard Smith, v.p.-finance & chief financial officer; W. Frederick Meyer, v.p.-public affairs; V. William Hunt, exec. v.p.; Charles H. Watson, v.p. & president-Arvinyl; Joe T. Atkins, v.p. & president-North American Automotive; Y. Kodama, managing director-Arvin Japan Branch; J. Kevin Nameth, v.p. & president-Schrader Automotive Inc.; Byron O. Pond, exec. v.p.; Francis J. Drew, v.p.-business development-automotive group; Clyde R. Davis, v.p.-personnel services; Raymond P. Mack, v.p.-human resources-automotive group; J. William Kendall, v.p.-community relations; John W. Brown, v.p.-public relations; A. R. Sales, treasurer; Gary J. Admire, asst. treasurer; Rex L. Emshwiller, assistant controller; Page E. Gifford, asst. secretary; Tim A. Grogg, assistant secretary; David M. Main, asst. secretary; Jose L. Berraondo, director general-AP Amortiguadores, S.A.; Donald E. Ebert, president-Roll Coater; Bernard Kievit, managing director-Cheswick International; Barry W. Lees, managing director-Bainbridge Silencers; Dr. H. Robert Leland, president-Calspan Corp.; J. Kevin Nameth, president-Schrader Automotive; James W. Thomas, president-Maremont Exhaust Systems Products Div.; E. Leon Viars, president-Gabriel Ride Control Products Div.; Charles H. Watson, president-Arvinyl

Directors: James K. Baker, chairman; Joseph P. Allen, Douglas G. Fleming, Richard W. Hanselman, V. William Hunt, Don J. Kacek, Frederick R. Meyer, Steven C. Beering, Richard M. Ringoen, Robert E. Fowler, Jr., Richard A. Smith, Byron O. Pond, Thomas A. Holmes

Areas of Work: Operates in four business segments: Automotive -- manufacture of mufflers, exhaust and tail pipes, catalytic converters, corrosion resistant coatings and other metal tubular parts, interior trim parts and exterior trim moldings, vinyl metal truck and bus parts, and restraint systems and tire testing services. Manufacture of replacement exhaust systems, shocks and other ride control products and various forms of painted and vinyl-laminated steel for appliance housings. Government -provides research in the areas of aerodynamics, automotive crash testing and accident research, aircraft systems, electronic systems analysis, surface and laser chemistry, non-destructive material evaluation and networked computer systems, and also manufactures sophisticated electronic monitoring systems. Industral-supplies tire valves and valve cores for heavy duty truck and other commercial applications, and precoated coils of steel and aluminum for pre-engineered buildings.

Divisions and Subsidiaries:

AP Amortiguadores, S.A. Division
31171 Orobia (Navarra)
Apartado 260
31080 Pamplona, Spain
Manufactures ride control products, including shock absorbers and struts, as original equipment for European auto manufacturers

Arvinyl Division
1531 Thirteenth Street
Columbus, Indiana 47201
Vinyl-metal laminator, metal stamper and fabricator of parts for automotive and industrial markets

AVM Division
P.O. Box 729
Highway 76 East
Marion, South Carolina 29571
(803) 464-7823
Manufacturer of gas springs and climate control vacuum actuators for automotive and industrial markets

Arvin Industries, Inc.

Bainbridge Silencers Limited
Ribchester House
Lancaster Road Preston PR1 2QL
Lancashire, England

Manufacturer and supplier of replacement automotive exhaust systems, shock absorbers, brake parts, and related products serving Great Britain, Holland and Belgium.

Calspan Corporation
P.O. Box 400
4455 Genesse Street
Buffalo, New York 14225
(716) 632-7500

Contract research, development and testing services for government and industry, including such areas as aerosciences, system analysis, evaluation, and integration; electronics; computer & information sciences; transportaion, environmental, and physical sciences.

Cheswick International
Postbus 206
6040 AE Roermond
Netherlands, Holland

Manufacturer of original equipment automotive exhaust systems, including catalytic converters, for European vehicle producers.

Gabriel Ride Control Products Division
250 E. Kehoe Boulevard
Carol Stream, Illinois 60188

Manufacturer and worldwide distributor of ride control systems, including shock absorbers, MacPherson struts and accessories of OE and replacement markets.

Maremont Exhaust Systems Division
250 East Kehoe Blvd.
Carol Stream, Illinois 60188
(708) 462-8500

Manufacturer and supplier of replacement automotive exhaust systems and related products serving North American automotive outlets.

North American Automotive Division
1531 13th Street
Columbus, Indiana 47201

Manufacturer of original equipment automotive exhaust systems, including catalytic converters, fuel tubes and fuel rails for Western Hemisphere vehicle producers.

Roll Coater, Inc.
3398 East U.S. 40
P.O. Box 787
Greenfield, Indiana 46140
(317) 462-7761

Schrader Automotive Inc.
7422 Carmel Executive Park, Suite 100
Charlotte, North Carolina 28226
(704) 541-1018

Worldwide manufacturer of tire valves, pressure gauges, connectors and accessories.

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
P.O. Box 755
Chicago, Illinois 60606

Stock Exchange(s): New York, Midwest

Ticker Symbol: ARV

Number of Employees:

1990	17,734	1987	16,529
1989	17,800	1986	17,823
1988	16,866		

Plant Footage:

1990	11,228,000 sq. ft.	1987	10,555,000
1989	12,647,000	1986	10,785,000
1988	12,083,000		

Sales & Earnings

	Net Sales ≠	Net Income
1990	$ 1,687,068,000	$ 34,256,000
1989	1,540,523,000	18,415,000
1988	1,248,227,000	3,548,000
1987	1,245,299,000	47,588,000
1986	869,914,000	41,207,000

	No. of Com Shares	Earn. per Share ‡
1990	18,796,000	$ 1.41
1989	18,784,000	0.63
1988	18,655,000	0.01
1987	18,610,000	2.41
1986	16,160,000	2.46

≠ Of continuing operations only.
‡ Based on the average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Automotive orig. equip.	$ 719,638	$ 620,261
Automotive replacement	624,309	586,954
Technology	232,716	228,385
Industrial	110,405	104,923
Total	$ 1,687,068	$ 1,540,523

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.68	—	—
1989	0.68	—	—
1988	0.68	—	—5
1987	0.68	—	—
1986	0.65	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 389,536,000	$ 20.72
1989	358,252,000	19.07
1988	358,535,000 +	19.22
1987	373,507,000 +	20.07
1986	259,185,000 +	16.04

+ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended	12/30/90	12/31/89
Net sales	$ 1,687,068	$ 1,540,523
Cost of sales	1,377,061	1,268,465
Expenses	208,278	193,433
Interest expense	45,154	42,257
Interest income	(2,414)	(2,931)
Other expense	916	4,967
Income before taxes	$ 58,073	$ 34,358
Income taxes	24,836	14,691
Inc.-cont. oper.	$ 33,237	$ 19,667
Inc. (loss)-discont. oper.	1,019	(1,252)
Net Income	$ 34,256	$ 18,415

* Included in Costs and Expenses, Depreciation $54,325,000 in 1990 and $47,527,000 in 1989.

Assets
(000's)

As of	12/30/90	12/31/89
Cash and cash equiv.	$ 17,244	$ 12,883
Accts. receiv., net	281,628	278,396
*Inventories	189,189	185,551
Other current assets	52,838	46,679
Current Assets	$ 540,899	$ 523,509
≠Fixed assets	389,322	355,163
Exc. of cost over assets acq.	194,343	198,467
Other assets	68,105	52,621
Total Assets	$ 1,192,669	$ 1,129,760

Liabilities
(000's)

Short-term debt	$ 107,505	$ 94,926
Accts. payable	120,114	101,423
Accrued emp. comp.	52,479	47,848
Other accruals	44,091	45,871
Income taxes	13,849	11,534
Curr. Liabilities	$ 338,038	$ 301,602
Long-term debt	320,674	332,055
Minority interest	10,509	8,201
Deferred inc. taxes	29,971	27,312
Deferred credits	3,486	1,883
+ Redeem. preferred stock	100,455	100,455
++ Common stock	52,552	52,521
Add. paid-in capital	131,571	131,469
Retained earnings	233,039	219,325
Cumulative translation adjustment	19,373	1,936
Treasury stock	(46,999)	(46,999)
Total Liabilities & Shareholders' Equity	$ 1,192,669	$ 1,129,760

* At lower of cost or market. Inventories in U.S. and Mexico at LIFO; all others at FIFO.
≠ Less accumulated depreciation and amortization.
+ No par value; 7.5% convertible exchangeable.
++ $2.50 par value.

Statistical Summary

% Net Income to Equity	8.79	5.14
Sales to Inventories	8.92	8.30
Debt to Equity	1.10	1.19
Working Capital	$ 202,861,000	$ 221,907,000
Current Ratio	1.60	1.74
Shareholders' Equity	$ 389,536,000	$ 358,252,000

ARX Inc.

35 South Service Road
Plainview, New York 11803
(516) 694-6700
FAX: (516) 694-6771

(Formerly Aeroflex Laboratories Incorporated)

Officers: Julius D. Winer, chairman of the board; Harvey R. Blau, vice chairman of the board; Michael Gorin, president & chief operating officer; Richard A. Carey, secretary.

Directors: Julius D. Winer, chairman; Harvey R. Blau, Robert Bradley, Milton Brenner, Ernest E. Courchene, Jr., Jerome Fox, Eugene Novikoff, John S. Patton, Maurice Friedman, Michael Gorin.

Areas of Work: Engaged in the design, development and production of precision stabilization and tracking devices, radio frequency filters, helical shock and vibration isolaters, advanced semiconductor sub-assemblies, magnetic products and electro-optical scanning devices. Also provides engineering support services to governmental agencies.

Subsidiaries:

Aeroflex Laboratories, Inc.
35 South Service Road
Plainview, New York 11803

Aeroflex International, Inc.
Caguas, Puerto Rico

Produces the Isolator product line.

Aeroflex Systems Corp.
McLean, Virginia

Supplies analytical, design and engineering, and specialized computer software support services to military contractors involved in major weapons systems programs and to the U.S. armed forces.

Huxley Envelope Corp.
Brooklyn, New York

Manufactures custom-designed envelopes for end users such as banks, insurance companies, major corporations and the direct mail industry.

Filtron Co., Inc
Old Bethpage, New York
Designs and manufactures radio frequency filters and shielded enclosures

Vibration Mountings & Controls, Inc
113 Main Street
Bloomingdale, New Jersey 07403
Manufactures shock and vibration control devices

VTX Electronics Corp. (72%-owned)
Farmingdale, New York
Designs, distributes and assembles a wide range of electronic and video cabling systems

T-CAS, Inc
McLean, Virginia
Specializes in the design and implementation of telecommunications and electronic systems for government, industrial and commercial customers

Comstron Corporation

Manufactures frequency synthesizers and subsystems and other frequency control products

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: ARX

Number of Employees:

1990	1,150	1987	870
1989	1,000	1986	845
1988	1,300		

Plant Footage:

1990	373,400 sq. ft.	1987	291,000
1989	380,000	1986	291,000
1988	311,000		

Sales & Earnings

	Net Sales	Net Income ≠
1990	$ 122,562,000	$ 2,505,000
1989	99,019,657	(5,097,801)
1988	86,695,374	4,919,748
1987	60,642,763	6,048,767
1986	53,951,512	5,136,839

	No. of Com. Shares †	Earn. per Share ≠†
1990	7,880,000	$ 0.32
1989	8,319,616	—
1988	8,092,885	0.61
1987	6,668,837	0.91
1986	6,691,883	0.77

(Loss)
≠ Including extraordinary loss of $245,408 ($0.03 per share) in 1988
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business

	1990	1989
Mechanical syst.	$ 21,740,000	$ 19,232,443
Elect. & magnetic prods.	27,049,000	16,018,874
Eng. & support services	13,453,000	11,477,268
Commercial envelopes	14,509,000	12,932,260
Electronic wire & cable distr.	46,918,000	40,421,128
Interseg. sales	(1,107,000)	(1,062,316)
Total	$ 122,562,000	$ 99,019,657

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	10%	—
1987	—	—	5-for-4
1986	—	10% & 5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 54,671,000	$ 6.96
1989	52,247,460	6.63
1988	60,007,713	7.16
1987	38,424,535	5.84
1986	33,266,680	5.07

‡ Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended June 30	1990	1989
Net sales	$ 122,562,000	$ 99,019,657
Other income	1,973,000	1,987,590
Total income	$ 124,535,000	$ 101,007,247
Cost of sales	90,895,000	75,932,784
Expenses	25,092,000	24,144,253
Interest expense	4,898,000	4,341,410
Special item	—	3,337,000
Eq. in inc. of affil.	(37,000)	(35,418)
Income (loss) bef. taxes	$ 3,687,000	$ (6,712,782)
Income taxes (credit)	1,020,000	(1,711,000)
Minority interest	162,000	96,019
Net Income (Loss)	$ 2,505,000	$ (5,097,801)

* Included in Costs and Expenses, Depreciation and Amortization $4,349,000 in 1990 and $4,352,609 in 1989.

Assets

As of June 30	1990	1989
Cash	$ 1,294,000	$ 1,126,612
Short-term invest.	61,000	513,727
Accounts receiv., net	36,685,000	28,437,422
Refund inc. taxes	—	351,340
*Inventories	31,183,000	26,238,226
Prepaid expenses & other assets	1,777,000	1,542,433
Deferred inc. taxes	81,000	31,000
Current Assets	$ 71,081,000	$ 58,240,760
Invested cash	6,833,000	8,118,000
≠Fixed assets	25,249,000	24,801,409
Market. eq. secur.	6,240,000	6,250,266
Cost in exc. of assets acq.	12,502,000	7,237,679
Other assets	1,711,000	834,634
Total Assets	$ 123,616,000	$ 105,482,748

Liabilities

Bank loan payable	$ 5,000,000	$ 2,500,000
Long-term debt, curr.	677,000	315,298
Accts. payable	11,981,000	8,001,889
Accruals	6,868,000	4,559,176
Inc. taxes pay.	1,278,000	482,661
Curr. Liabilities	$ 25,804,000	$ 15,859,024
Long-term debt	40,827,000	35,077,102
Deferred income taxes	601,000	719,000
Minority interest	1,713,000	1,580,162
+Common stock	914,000	913,547
Add. paid-in capital	56,489,000	56,424,363
Retained earnings	5,167,000	2,662,057
Treasury stock	(7,808,000)	(7,671,706)
Unrealized loss on invest.	(91,000)	(80,801)
Total Liabilities & Shareholders' Equity	$ 123,616,000	$ 105,482,748

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.01	—
% Net Income to Sales	2.04	—
% Net Income to Equity	4.58	—
Sales to Inventories	3.93	3.77
Debt to Equity	0.85	0.12
Working Capital	$ 45,277,000	$ 42,381,736
Current Ratio	2.75	3.67
Shareholders' Equity	$ 54,671,000	$ 52,247,460

Astrex, Inc.

205 Express Street
Plainview, New York 11803
(516) 433-1700
FAX: (516) 433-1796

Officers: Ronald S. Kass, president & chief executive officer; Frederick I. Levy, v.p. & secretary.

Directors: Mark Schindler, Frederick I. Levy, Ronald S. Kass, Thomas J. Sandleitner, John C. Loring.

Areas of Work: Sale & distribution of a broad spectrum of connectors, electromechanical, devices, electronic parts and components.

Divisions and Subsidiaries:

Resco Electronics Division
Pennsauken, New Jersey
(609) 662-4000

Progress Electronics Co., Inc
Plainview, New York 11803

Progress International Ltd.
Plainview, New York 11803
(516) 433-1700

T.F. Cushing, Inc
West Springfield, Massachusetts

Connector Company Division
Hamden, Connecticut
(203) 624-0127

ASI Electronics Corporation
Endwell, New York
(607) 754-3823

Transfer Agent(s):

Mellon Securities Trust Company (common stock)
New York, New York

United States Trust Company of New York (debentures)
New York, New York

Stock Exchange(s): American

Ticker Symbol: ASI

Number of Employees:

1989	95	1987	115
1988	N.A.		

N.A.—Not Available

Astrex, Inc.

Sales & Earnings

	Net Sales +	Net Income #
1990	$ 17,443,018	$ 684,133
1989	19,941,532	(617,207)
1988	22,166,330	(2,508,940)
1987	21,716,487	(4,265,748)
1986	25,176,459	1,125,867

	No. of Com Shares ‡	Earn per Share #‡
1990	1,074,347	$ 0.64
1989	1,074,347	—
1988	1,074,347	—
1987	1,081,131	—
1986	1,213,855	0.93

(Loss)
+ Of continuing operations only
# Including extraordinary gains of $2,373,889 ($2.21 per share) in 1990 and $313,000 in 1989
‡ Based on the weighted average number of shares outstanding

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ (1,792,435)	$ —
1989	(2,476,568)	—
1988	(1,859,361)	—
1987	649,579	0.60
1986	5,449,832	4.49

(Deficiency)
‡ Based on the average number of shares outstanding

Income Account*

Year ended March 31	1990	1989
Net sales	$ 17,443,018	$ 19,941,532
Other income	296,862	281,915
Total revenues	$ 17,739,880	$ 20,223,447
Cost of sales	13,174,065	14,622,376
Expenses	4,792,364	4,758,058
Prov. for doubt. accts	65,322	63,578
Interest expense	1,397,885	1,642,719
Loss before taxes	$ (1,689,756)	$ (863,284)
Income taxes	—	66,923
Net Loss	$ (1,689,756)	$ (930,207)
Extraord. gain	2,373,889	313,000
Net Loss & Extraord. gain	$ 684,133	$ (617,207)

* Included in Costs and Expenses, Depreciation and Amortization: $325,994 in 1990 and $281,471 in 1989

Assets

As of March 31	1989	1988
Cash & cash equiv	$ 240,234	$ 2,642,278
Accts & notes receiv., net	2,009,623	2,218,317
Loans to employees	52,836	60,687
Refund inc. taxes	56,480	—
*Inventories	7,234,373	7,119,139
Prepaid expenses	30,791	51,704
Deben. issuance costs	—	44,042
Current Assets	$ 9,624,337	$ 12,136,167
#Fixed assets	810,520	514,228
Prop. held for rental	916,294	944,928
Debenture issu. costs	365,480	524,915
Note receiv.-officer	265,000	265,000
Exc. of cost over assets acq	970,785	970,785
Other assets	318,251	160,230
Total Assets	$ 13,270,667	$ 15,516,253

Liabilities

Loans payable	$ 3,263,805	$ 2,500,000
Covert. subord. deben. pay	—	953,000
Long-term debt, curr	—	200,000
Accts. payable	1,465,741	833,22135
Accruals	263,755	464,678
Inc. taxes pay	—	15,008
Curr. Liabilities	$ 4,993,301	$ 4,965,907
Est. loss on guarantees	288,846	300,000
Long-term debt	9,780,955	12,726,914
+Common stock	306,780	306,780
Add. paid-in capital	9,957,119	9,957,119
Retained earnings (deficit)	(2,311,405)	(2,995,538)
Treasury stock	(9,744,929)	(9,744,929)
Total Liabilities & Shareholders' Equity	$ 13,270,667	$ 15,516,253

* At lower of cost (FIFO) or market
# Less accumulated depreciation & amortization
+ $0.16 2/3 par value

Statistical Summary

% Net Income to Sales	3.92	—
Sales to Inventories	2.41	2.80
Working Capital	$ 4,631,036	$ 7,827,734
Current Ratio	1.93	2.14
Shareholders' Equity (Deficiency)	$ (1,792,435)	$ (2,476,568)

Astro-Med, Inc.

Astro-Med Industrial Park
600 East Greenwich Avenue
West Warwick, Rhode Island 02893
(401) 828-4000
FAX: (401) 822-2430

Officers: Albert W. Ondis, chairman & chief executive officer; Everett V. Pizzuti, president & chief operating officer; Jacques V. Hopkins, secretary; Eugene S. Libby, v.p., treasurer & chief financial officer; David M. Gaskill, v.p.-research & development; Gordon W. Bentley, v.p.-manufacturing, Instruments; Elias G. Deeb, v.p.-media products; William T. Brosnan, controller

Directors: Albert W. Ondis, Jacques V. Hopkins, Everett V. Pizzuti, Allan M. Gittleman, Hermann Viets, Edward M. Watson

Areas of Work: Designs, develops, manufactures and sells a comprehensive line of high speed graphic recording and printing systems.

Subsidiaries:

Astro-Med International, Inc.
Foreign Sales Corporation (FSC)

Astro-Med, Inc.
England

Astro-Med SNC
France

Astro-Med GmbH
Germany

Transfer Agent(s):

Fleet National Bank
Providence, Rhode Island

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALOT (NASDAQ)

Number of Employees:

1990	230	1987	205
1989	225	1986	185
1988	215		

Plant Footage:

1990	102,000 sq. ft.	1987	67,000
1989	70,000	1986	67,000
1988	67,000		

Sales & Earnings

	Net Sales †	Net Income
1990	$ 28,978,977	$ 2,346,974
1989	23,677,047	1,643,991
1989	21,378,950	2,110,609
1988	16,308,989	1,440,667
1987	12,174,844	659,640

	No. of Com Shares *	Earn per Share #
1990	3,274,212	$ 0.72
1989	3,266,884	0.50
1989	3,261,488	0.64
1988	3,250,695	0.44
1987	3,242,034	0.21

† Of continuing operations only
* Adjusted to reflect stock split
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 17,583,164	$ 5.37
1989	15,334,925	4.69
1989	13,649,817	4.19
1988	11,403,398	3.51
1987	10,115,412	3.12

‡ Adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1991	1990
Net sales	$ 28,978,977	$ 23,677,047
Cost of sales	14,433,157	12,702,742
Expenses	10,571,605	8,326,432
Interest income	(288,945)	(236,413)
Interest expense	201,695	217,576
Other expense	213,491	74,719
Inc. bef. taxes	$ 3,847,974	$ 2,591,991
Income taxes	1,501,000	948,000
Net Income	$ 2,346,974	$ 1,643,991

* Included in Costs and Expenses, Depreciation and Amortization: $791,630 in 1990 and $728,927 in 1989

Assets

As of Jan. 31	1991	1990
Cash & cash equiv	$ 1,802,507	$ 1,106,409
Short-term invest	2,082,920	1,390,254
Accts. receiv., net	6,161,145	4,966,564
*Inventories	4,298,454	4,022,084
Prepaid expenses & other curr. assets	640,169	628,142
Current Assets	$ 14,985,195	$ 12,113,453
#Fixed assets	7,362,496	7,198,312
Other assets	2,067,566	2,053,443
Total Assets	$ 24,415,257	$ 21,365,208

Liabilities

Long-term debt, curr	$ 506,703	$ 506,703
Accts. payable	1,600,599	1,165,672
Accrued compensation	716,698	421,348
Other accruals	919,066	661,510
Income taxes	473,302	185,415
Curr. Liabilities	$ 4,216,368	$ 2,940,648
Long-term debt	1,457,550	1,964,253
Deferred inc. taxes	1,158,175	1,125,382
+ Common stock	163,711	163,344
Add. paid-in capital	4,622,367	4,579,678
Retained earnings	13,357,588	11,010,614
Unreal. loss on eq. secur.	(25,008)	(41,245)
Treasury stock	(535,494)	(377,466)
Total Liabilities & Shareholders' Equity	$ 24,415,257	$ 21,365,208

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

% Income bef. Taxes to Sales	13.28	10.95
% Net Income to Sales	8.10	6.94
% Net Income to Equity	13.35	10.72
Sales to Inventories	6.74	5.89
Debt to Equity	0.11	0.16
Working Capital	$ 10,768,827	$ 9,172,805
Current Ratio	3.55	4.12
Shareholders' Equity	$ 17,583,164	$ 15,334,925

Astrosystems, Inc.

6 Nevada Drive
Lake Success, New York 11042
(516) 328-1600
FAX: (516) 328-1658

Officers: Seymour Barth, chairman of the board & president; Elliot J. Bergman, vice president & secretary; Gilbert H. Steinberg, vice president & treasurer.

Directors: Seymour Barth, Elliot J. Bergman, Morton L. Certilman, Gilbert H. Steinberg, Walter Steinberg.

Areas of Work: Designs and manufactures military grade power conversion devices and electronic products for measurement and display. The Company's Industrial Products Division produces electronic and electromechanical devices for precision motion measurement and control in factory automation applications. Behlman Electronics Inc. a wholly owned subsidiary, manufactures instrument quality commercial power sources and low noise uninterruptible power supplies.

Divisions and Subsidiaries:

Astrosystems International, Inc.
6 Nevada Drive
Lake Success, New York 11042

Behlman Electronics Inc.
2021 Sperry Avenue, #18
Ventura, California 93003

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ASTR (NASDAQ)

Number of Employees:

1990	210	1987	N.A.
1989	190	1986	217
1988	225		

N.A. - Not Available

Plant Footage:

1990	97,700 sq. ft.	1987	N.A.
1989	70,250	1986	64,675
1988	70,250		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1990	$ 10,085,000	$ (325,000)
1989	12,775,000	(560,000)
1988	13,965,000	379,000
1987	13,192,000	2,384,000
1986	12,212,000	2,828,000

	No. of Com. Shares	Earn. per Share ‡
1990	5,294,000	$ —
1989	5,586,000	—
1988	5,682,000	0.07
1987	5,868,000	0.40
1986	5,861,000	0.51

(Loss)
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 32,275,000	$ 6.10
1989	33,831,000	6.06
1988	34,888,000	6.14
1987	35,561,000	6.06
1986	33,177,000	5.66

Income Account *

Year ended June 30	1990	1989
Net sales	$ 10,085,000	$ 12,775,000
Cost of sales	9,114,000	13,244,000
Expenses	2,728,000	2,832,000
Investment income	(2,228,000)	(2,138,000)
Interest expense	1,132,000	—
Loss bef. taxes	$ (661,000)	$ (1,163,000)
Tax credit	(336,000)	(603,000)
Net Loss	$ (325,000)	$ (560,000)

* Included in Costs and Expenses, Depreciation and Amortization: $327,000 in 1990 and $289,000 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 7,092,000	$ 14,610,000
Marketable securities	21,314,000	15,484,000
Accts. & notes receiv.	5,196,000	4,302,000
*Inventories	6,178,000	5,271,000
Prepaid inc. taxes	—	1,129,000
Prepaid expenses & other curr. assets	1,125,000	1,509,000
Current Assets	$ 40,905,000	$ 42,305,000
Long-term invest.	937,000	1,017,000
# Fixed assets	794,000	952,000
Total Assets	$ 42,636,000	$ 44,274,000

Liabilities

Accts. payable	$ 395,000	$ 346,000
Accrued payroll & emp. benefits	431,000	599,000
Other accruals	372,000	323,000
Inc. taxes pay.	1,688,000	—
Interest payable	1,132,000	—
Curr. Liabilities	$ 4,018,000	$ 1,268,000
Deferred taxes	6,343,000	9,175,000
+ Common stock	529,000	559,000
Add. paid-in capital	9,112,000	10,313,000
Retained earnings	22,634,000	22,959,000
Total Liabilities & Shareholders' Equity	$ 42,636,000	$ 44,274,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation. # Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	1.63	2.42
Working Capital	$ 36,887,000	$ 41,037,000
Current Ratio	10.18	33.36
Shareholders' Equity	$ 32,275,000	$ 33,831,000

Atari Corporation

1196 Borregas Avenue
Sunnyvale, California 94086
(408) 745-2000
FAX: (408) 745-4306

Officers: Jack Tramiel, chairman of the board; Sam Tramiel, president & chief executive officer; Garry Tramiel, v.p.-administration & secretary; Leonard Tramiel, v.p.-operating system software; Samuel W.L. Chin, vice president; Steven M. Kawalick, v.p.-legal & secretary; August J. Liguori, v.p.-finance, chief financial officer & treasurer; Richard Miller, v.p.-technology; Alwin Stumpf, exec. v.p.-sales & marketing.

Directors: Jack Tramiel, chairman; Sam Tramiel, Samuel W. L. Chin, Leonard I. Schreiber, Gregory A. Pratt, Michael Rosenberg.

Areas of Work: Manufactures personal computers and related peripherals and accessories and video game systems.

Subsidiaries:

Atari (Benelux) B.V.
Atari (Canada) Corp.
Atari Computers Pty. Ltd.
Atari France S.A.
Atari Computers GmbH
Atari Italia S.P.A.
Atari (Japan) Corp.
Atari (Mexico) S.A. de C.V.
Atari (Mexico) Fabricante S.A. de C.V.
Atari Corp. Sverige AB-(Sweden)
Atari (Schweiz) AG
Atari Taiwan Manufacturing Corp.
Atari Corp. (U.K.) Ltd.
Atari Technology Corp.
Atari (U.S.) Corporation
Atari Explorer Publications Corp.
Ordenadores Atari S.A.
Styra Semiconductor Corporation
Tambercombe Ltd. (Hong Kong)
Tramel Trading Ltd.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American, Midwest, Pacific, Philadelphia

Ticker Symbol: ATC

Number of Employees:

1990	N.A.	1988	1,780
1989	1,400	1987	4,090

N.A.-Not Available

Atari Corporation

Plant Footage:

1990	N.A.	1988	180,000
1989	100,000 sq. ft.	1987	180,000

N.A.-Not Available

Sales & Earnings

	Net Sales +	Net Income †
1990	$ 411,471,000	$ 14,874,000
1989	423,606,000	4,017,000
1988	452,201,000	(84,818,000)
1987	362,608,000	57,429,000
1986	258,131,000	44,516,000

	No. of Com. Shares	Earn. per Share † ‡
1990	57,743,000	$ 0.26
1989	57,698,000	0.07
1988	57,739,000	—
1987	57,703,000	0.99
1986	57,788,000	0.95

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $21,087,000 ($0.37 per share) in 1990, $13,277,000 ($0.23 per share) in 1987 and $19,466,000 ($0.42 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 101,260,000	$ 1.75
1989	85,999,000	1.49
1988	82,231,000	1.42
1987	167,655,000	2.91
1986	105,422,000	1.82

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 411,471	$ 423,606
Cost of sales	319,791	309,419
Expenses		
Res. & develop.	22,875	24,613
Mktng. & distr.	72,048	66,423
Gen. & adm.	21,977	19,473
Interest income	(2,511)	(4,107)
Interest expense	6,562	6,287
Other income	(9,893)	(971)
Inc. (loss) bef. taxes	$ (19,378)	$ 2,469
Income taxes (credit)	1,469	(1,548)
Inc. (loss)-cont. oper.	$ (20,847)	$ 4,017
Inc.-discont. oper.	14,634	—
Net Income (Loss)	$ (6,213)	$ 4,017
Extraord. gain	21,087	—
Net Income (Loss) & extraord. gain	$ 14,874	$ 4,017

* Included in Costs and Expenses, Depreciation and Amortization: $4,739,000 in 1990 and $2,483,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 36,919	$ 54,912
Accts. receiv., net	95,844	99,296
*Inventories	114,331	129,881
Prepaid expenses	5,817	4,726
Other curr. tax assets	1,352	10,322
Current Assets	$ 254,263	$ 299,137
≠Fixed assets	13,639	13,900
Other assets	4,736	9,939
Total Assets	$ 272,638	$ 322,976

Liabilities
(000's)

Notes payable	$ 28,231	$ 35,431
Accts. payable	74,252	84,072
Net liab.-discont. oper.	—	11,868
Income taxes	427	367
Accruals	19,452	27,835
Curr. Liabilities	$ 122,362	$ 159,575
Long-term oblig.	49,016	77,402
+Common stock	577	577
Add. paid-in capital	143,529	143,226
Notes receiv.-stock sale	(614)	(827)
Retained earnings (deficit)	(41,054)	(55,928)
Trans. adjust.	(1,178)	(1,049)
Total Liabilities & Shareholders' Equity	$ 272,638	$ 322,976

* At lower of standard cost or market.
≠ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.58
%Net Income to Sales	—	0.95
%Net Income to Equity	—	4.67
Sales to Inventories	3.60	3.26
Debt to Equity	0.76	1.31
Working Capital	$ 131,901,000	$ 139,562,000
Current Ratio	2.08	1.87
Shareholders' Equity	$ 101,260,000	$ 85,999,000

Audiotronics Corporation

7428 Bellaire Avenue
North Hollywood, California 91605
(818) 765-2645

Mailing Address:
Box 3997
North Hollywood, California 91609

Officers: Charles A. Musson, chairman, president & chief exec. officer; William Y. Kim, v.p., finance & secretary, & chief financial officer.

Directors: Charles A. Musson*, chairman; James R. Hopkins*, Hai Y. Lee, Charles H. Meyer, William Y. Kim*

* Member of the Executive Committee

Areas of Work: Designs, engineers and markets audiovisual products and instructional programs for education and training applications.

Subsidiary:

Leda Corporation
Develops prototypes and assembles parts for various electronic industry companies.

Transfer Agent(s):

Continental Stock Transfer & Trust Co.
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: ADO

Number of Employees: (at fiscal year end)

1989	41	1986	54
1988	65	1985	219
1987	34		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 6,154,000	$ (1,526,000)
1988	5,165,000	(1,586,000)
1987	5,614,000	(295,000)
1986	5,668,000	(1,764,000)
1985	5,881,000	(2,889,000)

	No. of Com. Shares ≠	Earn. per Share ≠
1989	1,189,161	$ —
1988	1,189,161	—
1987	1,189,161	—
1986	1,189,161	—
1985	1,189,161	—

(Loss)
+ Of continuing operations only.
≠ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share ≠
1989	$ (1,092,000)	$ —
1988	376,000	0.32
1987	1,960,000	1.65
1986	2,227,000	1.87
1985	3,989,000	3.35

(Deficiency)
≠ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended June 30	1989	1988
Net sales	$ 6,153,758	$ 5,165,057
Cost of sales	5,492,666	4,333,455
Selling expenses	508,121	492,196
Interest expense	559,819	552,578
Gen. & adm. expense	1,119,622	1,373,316
Net Loss	$ (1,526,470)	$ (1,586,488)

* Included in Costs and Expenses, Depreciation and Amortization: $218,140 in 1989 and $234,940 in 1988.

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 54,483	$ 1,606,705
Note receiv.	60,000	—
Accts. receiv., net	1,238,457	811,173
*Inventories	2,124,894	2,310,295
Prepaid expenses	24,477	48,074
Current Assets	$ 3,502,311	$ 4,776,247
≠Fixed assets	442,451	539,942
Debenture costs	893,154	963,954
Note receiv.	174,997	—
Other assets	78,516	199,759
Total Assets	$ 5,091,429	$ 6,479,902

Liabilities

Notes payable - bank	$ 199,510	$ —
Accts. payable	419,390	364,877
Accrued payroll	147,453	350,338
Other accruals	45,880	18,057
Curr. Liabilities	$ 812,233	$ 733,272

10-1/4% conv. subord. deben		5,371,000		5,371,000
+Common stock		1,336,597		1,336,597
Add. paid-in capital		2,706,878		2,706,878
Retained earnings (deficit)		(3,733,781)		(2,207,311)
Treasury stock		(1,047,288)		(1,047,288)
Due from ESOT		(354,210)		(413,246)
Total Liabilities & Shareholders' Equity	$	5,091,429	$	6,479,902

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

Sales to Inventories		2.90		2.24
Debt to Equity		—		14.30
Working Capital	$	2,690,078	$	4,042,975
Current Ratio		4.31		6.51
Shareholders' Equity (Deficiency)	$	(1,091,804)	$	375,630

Augat Inc.

89 Forbes Boulevard
P.O. Box 448
Mansfield, Massachusetts 02048
(508) 543-4300
FAX: (508) 543-7019

Officers: Marcel P. Joseph, chairman of the board, chief executive officer, & president; Gerald F. Barrett, v.p.-corporate development; Ronald D. Yancey, v.p. & chief financial officer; Richard Eaton, v.p.-human resources; Ronald Tarrant, v.p. & gen. mgr.-communications division; John F. Lynch, Jr., treasurer; Daniel J. Maher, Jr., corporate controller; Michael Deery, v.p.-international manufacturing; Anthony F. Lefkowicz, v.p. & gen. mgr.-automotive; Robert C. McIntyre, v.p. & gen. mgr.-interconnection products division; Kevin C. Walker, v.p.-international marketing; Thomas E. Neely, clerk.

Directors: Vernon R. Alden, David V. Ragone, Marcel P. Joseph, John N. Lemasters, Stephen F. Page, Norton Q. Sloan, Alan J. Zakon.

Areas of Work: Designs and manufactures electromechanical components, and precision materials for the electronic industry. The Company's principal products include integrated circuit sockets and accessories, connectors, coaxial cable network and fiberoptic interconnection products, subminiature switches, packaging panels, high density backplanes, computer aided design and wiring services, interconnection test probes and systems, and custom connector assemblies for the automotive and telecommunications industry.

Divisions and Subsidiaries:

Communications Group
Horseheads & Elmira, New York
Jupiter, Florida
Seattle, Washington

Interconnection Products Group
Attleboro, Mashpee, New Bedford, North Andover, & North Attleboro, Massachusetts; Carol Stream, Illinois; Lewisville, Texas; Newbury Park & Upland, California; Saddle Brook, New Jersey; Sanford, Maine; Smithfield, Rhode Island; Bioggio, Switzerland; Gotemba, Japan; Limerick, Ireland; Singapore.

Automotive Group
Boyne City, Chesterfield, Clinton, East Jordan,
Mt. Clemens, & Troy, Michigan
San Antonio, Texas

Isotronics, Inc.
New Bedford, Massachusetts

Alcoswitch
North Andover, Massachusetts

Reed Devices, Inc.
Carol Stream, Illinois

Elfab Inc.
Manufactures non-military market press-fit high density backplanes and very high density connectors using both press-fit and surface mounting technology.

Altair International, Inc.

Telzon, Inc.

International Marketing

Augat Ltd.
Milton Keynes, England

Augat S.A.
Fresnes, France

Augat A.G.
Zug, Switzerland

Augat GmbH
Munich, Germany

Augat A.B.
Stockholm, Sweden

Augat Pty.
Sydney, Australia

Augat KK
Yokahoma, Japan

Augat Electronics, Inc.
Mississauga, Canada

Transfer Agent(s):

Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AUG

Number of Employees:

1990	2,700	1987	3,800
1989	2,900	1986	3,700
1988	3,600		

Plant Footage:

1990	N.A.	1987	1,619,000
1989	1,129,400 sq. ft.	1986	1,530,000
1988	1,330,000		

N.A.-Not Available
N.A.-Not Available

Sales & Earnings

		Net Sales		Net Income
1990	$	299,192,534	$	17,133,000
1989		306,647,000		14,900,000
1988		320,988,000		(22,822,000)
1987		313,219,000		11,529,000
1986		260,356,000		(8,726,000)

	No. of Com. Shares #		Earn. per Share #
1990	18,050,000	$	0.95
1989	17,962,000		0.83
1988	17,891,000		—
1987	17,830,000		0.65
1986	17,770,000		—

(Loss)
Based on the weighted average number of common shares outstanding.

Revenues by Line of Business
(000's)

		1990		1989
Interconnection prods. div.	$	151,000	$	151,000
Automotive div.		88,000		103,000
Communications div.		60,000		53,000
Total	$	299,000	$	307,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.40	—	—
1989	0.40	—	—
1988	0.40	—	—
1987	0.40	—	—
1986	0.40	—	—

Common Stock Equity

		Total Equity		Equity Per Share +
1990	$	209,389,000	$	11.60
1989		185,519,000		10.33
1988		181,940,000		10.17
1987		213,670,000		11.98
1986		196,938,000		11.08

+ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Dec. 31		1990		1989
Net sales	$	299,192,534	$	306,647,205
Cost of sales		212,436,354		221,016,329
Expenses		63,940,268		62,566,206
Restructuring costs		—		2,500,000
Interest income		(2,851,150)		(3,406,504)
Interest expense		1,718,062		2,185,174
Income bef. taxes	$	23,949,000	$	21,786,000
Income taxes		6,816,000		6,886,000
Net Income	$	17,133,000	$	14,900,000

* Included in Costs and Expenses, Depreciation and Amortization: $16,259,829 in 1990 and $16,585,445 in 1989.

Assets

As of Dec. 31		1990		1989
Cash & cash equiv.	$	42,618,221	$	22,939,977
Short-term investments		—		473,045
Accts. receiv., net		48,486,739		52,850,123
Refund. income taxes		1,375,000		1,106,000
*Inventories		57,230,268		60,966,470
Prepaid expenses		3,871,462		2,213,306
Current Assets	$	153,581,690	$	140,548,921
#Fixed assets		105,467,594		99,406,199
Other assets		13,491,343		12,076,564
Total Assets	$	272,540,627	$	252,031,684

Liabilities

Notes payable	$	4,000,000	$	4,000,000
Long-term debt, curr.		2,445,464		2,610,211
Accts. payable		15,530,375		10,997,216
Taxes payable		1,619,023		4,867,675
Accrued restructuring costs		2,491,152		4,169,942
Accrued payroll and other compensations		8,413,049		9,739,750
Other accruals		2,792,538		4,217,914
Curr. Liabilities	$	37,291,601	$	40,602,708
Long-term debt		12,864,340		16,098,302
Deferred inc. taxes		12,913,717		9,730,151
Minority interest		82,014		82,014
+Common stock		1,808,618		1,800,178
Add. paid-in capital		58,746,328		57,716,158
Retained earnings		126,018,653		116,102,420
Cum. trans. adjust.		23,171,775		10,009,210
Treasury stock		(109,457)		(109,457)
Unearned compensation		(246,962)		—
Total Liabilities & Shareholders' Equity	$	272,540,627	$	252,031,684

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.10 par value

Statistical Summary

% Income bef. Taxes to Sales	8.30	7.10
% Net Income to Sales	5.73	4.86
% Net Income to Equity	8.18	8.03
Sales to Inventories	5.23	5.03
Debt to Equity	0.09	0.12
Working Capital	$ 116,290,089	$ 99,946,213
Current Ratio	4.12	3.46
Shareholders' Equity	$ 209,388,955	$ 185,518,509

Auric Corporation

470 Frelinghuysen Avenue
Newark, New Jersey 07114
(201) 242-4110
FAX: (201) 242-5796

Officers: Maurice Bick, president; Leo Kosowsky, vice president

Directors: Maurice Bick, Leo Kosowsky, Theodore Cohn, Theodore Doll, Jr., Irving Marcus, Leonard Wood

Areas of Work: Providing chemical products, gold processes and solutions equipment and materials, all of which are used in the electronics, aerospace, computer metalworking and jewelry industries.

Division:

Fidelity Chemical Products Corporation

Transfer Agent(s):

Midlantic National Bank
Newark, New Jersey

Stock Exchange(s): Over-the-Counter

Number of Employees:

1990	60	1987	56
1989	60	1986	50
1988	58		

Plant Footage:

1990	30,000 sq. ft.	1987	20,000
1989	30,000	1986	20,000
1988	25,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 16,320,482	$ 1,164,545
1989	15,436,420	679,260
1988	12,992,719	971,662
1987	9,697,646	341,376
1986	7,444,756	125,065

	No. of Com. Shares	Earn. per Share ‡
1990	365,050	$ 2.93
1989	369,600	1.83
1988	370,800	2.53
1987	370,800	0.85
1986	401,500	0.31

‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 3,190,694	$ 8.74
1989	4,300,574	11.64
1988	3,633,019	9.80
1987	2,747,857	7.02
1986	2,454,330	6.11

Income Account*

Year ended Sept. 30	1990	1989
Net sales	$ 16,320,482	$ 15,436,420
Cost of sales	10,723,474	10,772,623
Expenses	3,372,601	3,194,691
Interest expense	136,315	120,222
ESOP contribution	437,940	423,257
Interest income	(141,839)	(110,726)
Other income	(69,949)	(11,490)
Income before taxes	$ 1,861,940	$ 1,047,843
Income taxes	697,395	368,583
Net Income	$ 1,164,545	$ 679,260

* Included in Costs and Expenses, Depreciation and Amortization: $272,678 in 1990 and $217,998 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 1,324,036	$ 885,264
Marketable securities	596,969	795,125
Accts. receiv., net	2,673,502	1,879,874
*Inventories	1,570,116	1,244,784
Inc. tax refund receiv.	—	72,634
Prepaid exp. & other assets	282,098	275,087
Current Assets	$ 6,446,721	$ 5,152,768
≠Fixed assets	1,881,288	1,666,596
Value of life insur.	249,165	222,167
Other assets	4,186	5,185
Total Assets	$ 8,581,360	$ 7,046,716

Liabilities

Bank notes payable	$ 550,000	$ 550,000
Other notes payable	153,642	165,992
Long-term debt, curr.	170,296	110,000
ESOP debt, curr.	250,000	—
Accts. payable	1,257,667	921,007
Accruals	601,814	601,110
Inc. taxes pay.	68,895	—
Curr. Liabilities	$ 3,052,314	$ 2,348,109
Long-term debt	245,152	195,833
ESOP debt	1,942,000	—
Deferred inc. taxes pay.	151,200	202,200
+Common stock	36,960	36,960
Stock options outstanding	8,400	—
Add. paid-in capital	290,025	313,791
Retained earnings	5,114,368	3,949,823
Treasury stock	(67,059)	—
Guarantee of ESOP debt	(2,192,000)	—
Total Liabilities & Shareholders' Equity	$ 8,581,360	$ 7,046,716

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	11.41	6.79
% Net Income to Sales	7.14	4.40
% Net Income to Equity	36.50	15.79
Sales to Inventories	10.39	12.40
Debt to Equity	1.04	0.24
Working Capital	$ 3,394,407	$ 2,804,659
Current Ratio	2.11	2.19
Shareholders' Equity	$ 3,190,694	$ 4,300,574

Automatix Incorporated

755 Middlesex Turnpike
Billerica, Massachusetts 01821
(617) 667-7900
FAX: (617) 663-5482

Officers: Michael J. Cronin, chairman; Ofer Gneezy, president, chief executive officer & treasurer; David L. Engel, secretary.

Directors: Michael J. Cronin, R. Schorr Berman, Theodore H. Elliott, Jr., Fontaine K. Richardson, Ofer Gneezy.

Areas of Work: The Company has two divisions operating within the field of factory automation. The Adaptive Automation Division develops, manufactures, markets and services adaptive automation systems that integrate robotics, machine control software, artificial vision and other sensors, all based on the Company's computer hardware and software technology. The CAD/CAM Division develops, markets and services a family of full function, 3-D design and 2-D drafting software used to provide total drafting control.

Divisions:

Adaptive Automation Division
CAD/CAM Division

SuperCads, Inc.
Santa Clara, California

Developed a platform independent full functionality three-dimensional CAD software package for mechanical design and drafting.

Transfer Agent(s):

American Stock-Transfer and Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AITX (NASDAQ)

Number of Employees:

1990	65	1987	129
1989	94	1986	168
1988	86		

Plant Footage:

1990	N.A.	1988	53,000
1989	28,785 sq. ft.	1987	70,000

N.A.-Not Available

Sales & Earnings

	Revenues	Net Income ≠
1990	$ 8,541,000	$ (1,299,000)
1989	7,443,000	(2,298,000)
1988	10,704,000	(4,977,000)
1987	12,015,000	(5,384,000)
1986	18,507,000	(8,857,000)

	No. of Com. Shares ‡	Earn. per Share ≠‡
1990	18,373,000	$ —
1989	18,342,000	—
1988	17,489,000	—
1987	13,558,000	—
1986	12,999,000	—

( ) Loss
≠ Including extraordinary gain of $1,713,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Vision robot systems	$ 7,203,000	$ 6,426,000
CAD/CAM/CAE software	1,338,000	1,017,000
Total	$ 8,541,000	$ 7,443,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ (2,783,000)	$ —
1989	(1,502,000)	—
1988	765,000	0.04
1987	5,791,000	0.43
1986	6,665,000	0.51

( ) Deficiency

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Revenues	$ 8,541	$ 7,443
Cost of revenues	3,939	3,090
Expenses		
Research & develop	2,313	2,884
Marketing	2,093	2,354
Gen. & administrative	1,201	1,289
Interest expense	294	164
Net Loss	$ (1,299)	$ (2,298)

* Included in Costs and Expenses, Depreciation and Amortization: $228,000 in 1990 and $200,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv	$ 396	$ 1,169
Accts. receiv., net	1,598	1,743
*Inventories	557	428
Other curr. assets	102	101
Current Assets	$ 2,653	$ 3,441
≠Fixed assets	264	348
Software license	98	165
Total Assets	$ 3,015	$ 3,954

Liabilities
(000's)

	1990	1989
Long-term debt, curr	$ 28	$ 25
Accounts payable	562	447
Adv. from customers	272	510
Accruals	1,095	857
Curr. Liabilities	$ 1,957	$ 1,839
Note pay.-software license	98	165
Subordinated notes	2,898	2,952
Minority interest	845	500
+Common stock	919	919
Add. paid-in capital	48,652	48,651
Accum. deficit	(52,674)	(51,325)
For. curr. trans. adjust	320	253
Total Liabilities & Shareholders' Equity	$ 3,015	$ 3,954

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $0.05 par value

Statistical Summary

Working Capital	$ 696,000	$ 1,602,000
Current Ratio	1.36	1.87
Shareholders' Equity (Deficiency)	$ (2,783,000)	$ (1,502,000)

Auto-trol Technology Corporation

12500 North Washington Street
Denver, Colorado 80241-2404
(303) 452-4919
FAX (303) 252-2249

Officers: Howard B. Hillman, chairman of the board & president; Jerry T. Sisson, v.p.-field operations; Richard M. Burkley, v.p.-research & development; David P. Hanna, v.p.-sales; Denny L. Chrismer, v.p.-international operations; Gail E. D. Heinzman, secretary; David Brents, asst. controller; Allyson S. Kissell, asst. secretary.

Directors: Howard B. Hillman, chairman; William R. Usher; William R. Hambrecht; J. Roderick Heller, III.

Areas of Work: Provides a full range of integrated products and services to solve automation problems for companies involved in building design, industrial plant design, process plant design, electronic publishing, telecommunications, and machine tooling.

Subsidiaries:

Auto-trol International Corporation
Auto-trol Technology Europe, Ltd.
Auto-trol Acquisition, Inc.
Auto-trol Technology (Canada) Ltd.
Auto-trol Advertising, Inc.
ATTC International Sales Corporation
Auto-trol Technology A.B.
Auto-trol Technology GmbH
Auto-trol Technology S.A.
Auto-trol Technology Ltd.

Autotrol Technology S.A.
31, Rue Delizy
Pantin 93500, France

Autotrol Technology GmbH
Wanheimerstr. 39
Dusseldorf 30 4000, West Germany

Auto-trol Technology Australia
Suite 1603, Northpoint
100 Miller Street
North Sydney NSW 2060, Australia

Autotrol Technology Ltd.
Neville House
42/46 Hagley Road, Edgbaston
Birmingham B16 8PZ, England

Auto-trol Scandinavia AB
All Favagen 1-3
S-191 47 Sollentuna,
Sweden

Autotrol Technology GmbH
Paul-Gerhardt-Allee 50
8000 Munich 60, West Germany

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ATTC (NASDAQ)

Number of Employees:

1989	760	1986	N.A.
1988	706	1985	672
1987	700		

Plant Footage:

1989	127,000 sq. ft.	1986	127,000
1988	127,000	1985	127,000
1987	127,000		

N.A. - Not Available

Sales & Earnings x

	Revenues	Net Income	No. of Com Shares ≠	Earn per Share ≠
1989	$ 77,396,000	$ (2,440,000)	6,773,000	$ —
1988	78,225,000	2,141,000	6,786,000	0.32
1987*	53,764,000	1,162,000	6,771,000	0.17
1986	62,358,000	(7,038,000)	6,510,000	—
1985	65,360,000	(11,679,000)	4,809,000	—

( ) Loss
* 9 months.
x Restated to reflect change in accounting method to reflect adoption of SFAS No. 96, "Accounting for income taxes".
≠ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1989	$ 25,709,000	$ 3.80
1988	27,838,000	4.10
1987	25,099,000	3.71
1986	23,848,000	3.66

x Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1989	1988‡
Revenues	$ 77,396,000	$ 78,225,000
Cost of revenues	37,592,000	36,663,000
Expenses	41,536,000	38,563,000
Software write-off	988,000	509,000
Interest expense	595,000	1,124,000
Interest income	(960,000)	(925,000)
Inc. (loss) bef. taxes	$ (2,355,000)	$ 2,291,000
Income taxes	85,000	150,000
Net Income (Loss)	$ (2,440,000)	$ 2,141,000

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $6,932,000 in 1989 and $6,838,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 4,035,000	$ 10,160,000
Short-term invest.	—	3,950,000
Receiv., net	17,907,000	14,419,000
*Inventories	5,252,000	3,814,000
Prepaid expenses & serv. parts	772,000	1,041,000
Current Assets	$ 27,966,000	$ 33,384,000
≠Fixed assets	14,824,000	13,864,000
Service parts	1,152,000	2,293,000
Purch. software	302,000	1,728,000
Other assets	84,000	265,000
Total Assets	$ 44,328,000	$ 51,534,000

Liabilities

	1989	1988
Long-term debt, curr	$ 472,000	$ 671,000
Accts. payable	5,669,000	5,218,000
Accrued compen. & rel. taxes	1,314,000	1,142,000
Interest payable	323,000	2,657,000
Income taxes	86,000	1,539,000
Unearned serv. revenue	664,000	998,000
Other curr. liab.	2,922,000	3,824,000
Curr. Liabilities	$ 11,450,000	$ 16,049,000

Long-term debt	6,669,000	7,147,000
Deferred tax liability	500,000	500,000
+Common stock	68,000	68,000
Add. paid-in capital	46,637,000	46,398,000
Cum. curr. trans. adjust.	(46,000)	(118,000)
Retained earnings (deficit)	(20,950,000)	(18,510,000)
Total Liabilities & Shareholders' Equity	$ 44,328,000	$ 51,534,000

* At lower of cost (FIFO) or market

≠ Less accumulated depreciation and amortization

+ $0.01 par value

Statistical Summary

%Income bef. Taxes to Revenues	—	2.93
%Net Income to Revenues	—	2.74
%Net Income to Equity	—	7.69
Debt to Equity	0.28	0.28
Working Capital	$ 16,516,000	$ 17,335,000
Current Ratio	2.44	2.08
Shareholders' Equity	$ 25,709,000	$ 27,838,000

Avantek, Inc.

3175 Bowers Avenue
Santa Clara, California 95054
(408) 727-0700
FAX: (408) 954-0635

Officers: E. Oran Brigham, chief exec. officer & president; Lionel A. Kirton, sr. v.p.-manufacturing; Robert W. Busch, sr. v.p.-quality, materiel & human resources; Steven J. Allan, v.p.-finance, chief financial officer & secretary; Peter I. Manno, v.p.-sales & marketing; James E. Sterrett, founder, v.p. & fellow; Edward C.V. Winn, v.p.-Products.

Directors: Roy A. Anderson, chairman; E. Oran Brigham, James F. Gibbons, Gary G. Harmon, James E. Sterrett.

Areas of Work: Company is a leading supplier of microwave electronics products for use in various defense and commercial applications.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AVAK (NASDAQ)

Number of Employees:

1990	2,300	1987	3,041
1989	2,447	1986	3,107
1988	2,556		

Plant Footage:

1990	609,000 sq. ft.	1988	631,000
1989	609,000	1987	776,000

Sales & Earnings

	Net Sales +	Net Income	No. of Com Shares †	Earn. per Share ‡
1990	$ 155,381,000	$ (2,742,000)	17,952,901	$ —
1989	158,846,000	(21,421,000)	17,708,245	—
1988	123,544,000	(30,037,000)	17,798,253	—
1987	161,225,000	11,901,000	18,936,277	0.62
1986*	156,075,000	9,965,000	19,634,366	0.52

(Loss)

* 53 weeks.

+ Of continuing operations only.

† Based on Common stock and Series B Common stock combined.

‡ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1990	1989
Product sales	$ 151,030,000	$ 151,795,000
Contract sales	4,351,000	7,051,000
Total	$ 155,381,000	$ 158,846,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 92,116,000	$ 5.13
1989	93,907,000	5.30
1988	116,062,000	6.62
1987	154,080,000	8.27
1986	147,560,000	7.64

Income Account*
(000's)

Year ended	12/29/90	12/30/89
Net sales	$ 155,381	$ 158,846
Cost of sales	113,110	126,718
Expenses	43,105	50,511
Reorganization charges	—	12,500
Interest expense (income)	8	(862)
Loss bef. taxes	$ (842)	$ (30,021)
Income taxes (credit)	1,900	(8,600)
Net Loss	$ (2,742)	$ (21,421)

* Included in Costs and Expenses, Depreciation and Amortization: $14,246,000 in 1990 and $15,571,000 in 1989.

Assets
(000's)

As of	12/29/90	12/30/89
Cash & cash equiv.	$ 8,499	$ 13,031
Accts. receiv., net	32,940	24,032
*Inventories	32,828	29,944
Prepaid income taxes	1,994	8,600
Prepaid expenses	2,480	2,893
Current Assets	$ 78,741	$ 78,500
≠Fixed assets	47,807	55,865
Total Assets	$ 126,548	$ 134,365

Liabilities
(000's)

Accts. payable	$ 8,247	$ 5,539
Accrued payroll	10,952	11,412
Other accruals	6,828	10,125
Accrual for exc. plant capac.	1,582	1,580
Accrual for contract losses	549	3,318
Current Liabilities	$ 28,158	$ 31,974
Accrual for exc. plant capac.	4,109	5,691
Deferred income	2,165	2,793
+Common stock	48,676	48,109
+Series B Common stock	15	15
Retained earnings	43,425	45,783
Total Liabilities & Shareholders' Equity	$ 126,548	$ 134,365

* At lower of standard cost or market.

≠ Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

Sales to Inventories	4.73	5.40
Working Capital	$ 50,583,000	$ 46,526,000
Current Ratio	2.80	2.46
Shareholders' Equity	$ 92,116,000	$ 93,907,000

Avnet, Inc.

80 Cutter Mill Road
Great Neck, New York 11021
(516) 466-7000
FAX: (516) 466-1203

Officers: Leon Machiz, chairman, president, chief exec. officer & chief operating officer; Stanley Benerofe, sr. v.p.; Jordan Berman, sr. v.p.; Walter Hyjek, sr. v.p.; John Lane, sr. v.p.; Irwin Lubalin, sr. v.p.; David Shaw, sr. v.p.; Sylvester Herlihy, sr. v.p. & secretary; John H. Regazzi, sr. v.p., treasurer & chief financial officer; Roy Vallee, sr. v.p.; Sam Farhy, v.p.; James Short, v.p.; Daniel M. Robbin, sr. v.p.; Donald Sweet, v.p.; George Kokkinakis, sr. v.p.-administration; Morton Vogel, v.p.; Anthony DeLuca, sr. v.p. & chief information officer; Milton Graham, v.p.; Burton Katz, sr. v.p.; Raymond Sadowski, v.p., controller & asst. secretary; David R. Birk, v.p. & general counsel; James Smith, v.p.; Linda Tommasulo, v.p.; Gerald Goldstein, v.p.; Ernest Park, v.p.; Jane Wolf, asst. secretary; Stephanie Wagoner, asst. treasurer.

Directors: Leon Machiz*, chairman of the board; Sylvester D. Herlihy, George Weissman*, Alvin E. Friedman*, Jordan S. Berman, John W. Kenney*, J. Sidney Webb*, Salvatore J. Nuzzo*, Howard Stein*, Stanley Benerofe, Gerald Berkman*, David Shaw.

* Member of the Executive Committee.

Operating Groups:

Electronic Marketing Group

Hamilton/Avnet Electronics
Culver City, California
Distributor of semiconductor devices, microprocessors and microcontrollers, board level products, commercial and military connectors, passive and electromechanical components and other electronic devices. Value-added services include kitting, EDI, PLD/PROM programming, connector and cable assembly and testing, and ASIC design.

Avnet Computer
Culver City, California
Distributor of VMS, DOS and UNIX computers and related peripherals, including printers, terminals, mass storage and board level products. value-added services include system configuration, integration, testing and software installation, sold to end users and original equipment manufacturers.

Time Electronics/Electro Air
Peabody, Massachusetts
Distributor of electronic military and commercial connectors, semiconductors, passives and other electronic and electromechanical components.

Haper S.I.D.
Compton, California
Distributor of connectors, switches, terminal boards and passive devices.

Electrical and Industrial Group

Brownell Electro
New York, New York
Distributes instruments and controls, electric motors and repair parts.

Freeman Products, Inc
Englewood, New Jersey
Trophy components, gifts and engravers supplies, plastic injection molding and zinc diecasting.

Lincoln Controls
Pawtucket, Rhode Island
Hydraulic and pneumatic controls.

Irving W. Rice & Co., Inc.
New York, New York
Markets a line of giftware, bath & beauty accessories and mirrors.

Mechanics Choice
Philadelphia, Pennsylvania
Distributor of fasteners, industrial shop supplies and tools, bulk and packaged chemicals, welding electrodes, hydraulic/pneumatic components, electrical wire/cable/terminals and automotive products.

Video Communications Group

Channel Master
Smithfield, North Carolina
Manufacturer of satellite and terrestrial television reception equipment.

Avnet International (Taiwan) Ltd.
Kaoshiung, Taiwan
Satellite systems electronics and printed circuit boards.

Avnet Industries Malaysia
Kulai Johnor, Malaysia
Turntables, compact disc players, and satellite receivers.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: AVT

Number of Employees:

1990	7,500	1987	9,500
1989	8,500	1986	9,250
1988	10,000		

Plant Footage:

1990	3,710,000 sq. ft.	1987	4,125,000
1989	3,830,000	1986	4,050,000
1988	3,970,000		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 1,751,345	$ 56,498
1989	1,918,678	53,952
1988	1,817,190	52,174
1987	1,539,300	22,794
1986	1,415,600	23,857

	No. of Com. Shares ≠	Earn. per Share ≠
1990x	38,638,000	$ 1.57
1989	35,762,000	1.51
1988	35,756,000	1.46
1987	35,748,000	0.64
1986	35,719,000	0.67

+ Of continuing operations only.
≠ Based on the weighted average number of common shares and common share equivalents outstanding.
x The conversion of 6% convertible subordinated debentures have been considered as common share equivalents.

Revenue by Lines of Business
(000's)

	1990	1989
Electronic marketing	$ 1,408,000	$ 1,512,600
Electrical & industrial	208,400	214,900
Video communications	134,900	191,200
Total	$ 1,751,300	$ 1,918,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.60	—	—
1989	0.50	—	—
1988	0.50	—	—
1987	0.50	—	—
1986	0.50	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 769,731,000	$ 21.46
1989	735,382,000	20.60
1988	696,022,000	19.52
1987	657,851,000	18.42
1986	646,921,000	18.18

‡ After allowing for preferred stock at stated value.

Income Account *

Year ended June 30	1990	1989
Net sales	$ 1,751,345,000	$ 1,918,678,000
Other income	25,838,000	13,768,000
Total income	$ 1,777,183,000	$ 1,932,446,000
Cost of sales	1,312,367,000	1,470,640,000
Expenses	340,930,000	359,208,000
Interest expense	15,285,000	16,440,000
Dispos. & restructuring	9,869,000	(1,087,000)
Income before taxes	$ 98,732,000	$ 87,245,000
Income taxes	42,234,000	33,293,000
Net Income	$ 56,498,000	$ 53,952,000

* Included in Costs and Expenses, Depreciation and Amortization: $28,454,000 in 1990 and $29,770,000 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 103,883,000	$ 93,789,000
Market. securities	240,570,000	143,637,000
Receiv., net	257,467,000	262,019,000
*Inventories	425,469,000	479,464,000
Other curr. assets	2,287,000	3,723,000
Current Assets	$ 1,029,676,000	$ 982,632,000
≠Fixed assets	94,823,000	106,214,000
Intangibles & other assets	33,015,000	37,115,000
Total Assets	$ 1,157,514,000	$ 1,125,961,000

Liabilities

Long-term debt, curr.	$ 3,121,000	$ 2,677,000
Accts. payable	114,441,000	112,060,000
Accrued payroll	15,479,000	11,973,000
Accrued insurance	10,435,000	3,748,000
Accrued interest	6,874,000	7,163,000
Income taxes	7,325,000	10,147,000
Dividend payable	5,379,000	4,463,000
Other accruals	22,818,000	27,216,000
Curr. Liabilities	$ 185,872,000	$ 179,447,000
Long-term debt	201,911,000	211,132,000
+Common stock	35,965,000	35,824,000
Add. paid-in capital	132,516,000	129,801,000
Retained earnings	602,075,000	567,070,000
Treasury stock	(1,987,000)	(2,794,000)
Cum. trans. adjust.	1,162,000	5,481,000
Total Liabilities & Shareholders' Equity	$ 1,157,514,000	$ 1,125,961,000

* At cost (FIFO) or market, whichever is lower.
≠ Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.63	4.55
% Net Income to Sales	3.22	2.81
% Net Income to Equity	7.34	7.34
Sales to Inventories	4.12	4.00
Debt to Equity	0.27	0.29
Working Capital	$ 843,804,000	$ 803,185,000
Current Ratio	5.54	5.48
Shareholders' Equity	$ 769,761,000	$ 735,382,000

AVX Corporation

(The Company is a wholly-owned subsidiary of Kyocera Corp. of Kyoto, Japan)

750 Lexington Avenue
New York, New York 10022-1208
(212) 935-6363

NOTE: The Company was acquired by Kyocera Corpation on Jan. 18, 1990.

Officers: Marshall D. Butler, chief exec. officer; Charles A. Dill, president & chief operating officer; Benedict P. Rosen, exec. v.p.; John Gilbertson, vice president; Allan H. Cole, vice president; Brian Morris, vice president; Kim Ritchie, vice president; John Mann, vice president; Norman Yeung, vice president; John S. Johnson, controller; Joan Prager, secretary; Joseph R. Sicree, treasurer; Ilene L. Hearst, asst. treasurer.

Areas of Work: Designs, manufactures and markets multilayer ceramic, tantalum and glass capacitors as well as Applications Specific components. Multilayer ceramic and tantalum capacitors are used extensively in conjunction with integrated circuits in a wide variety of applications. Glass capacitors find usage as storers of electrical energy in those applications having extremes in temperatures such as space and deep oil well drillings.

Divisions and Subsidiaries:

Radial Products Division
Myrtle Beach, South Carolina

Axial & Special Products Division
Conway, SC; Olean, New York

AVX Limited
Aldershot, England; Coleraine, Northern Ireland

AVX S.A.
Roven, France

AVX Israel
Jerusalem

Number of Employees:

1989	8,600	1986	N.A.
1988	8,300	1985	5,100
1987	N.A.		

N.A. - Not Available

AVX Corporation

Sales & Earnings

	Net Sales *	Net Income
1989	$ 412,520,000	$ 10,530,000
1988	408,939,000	27,563,000
1987	271,888,000	15,811,000
1986	195,359,000	(3,098,000)
1985	178,684,000	(12,273,000)

(Loss)
* Of continuing operations only

Aydin Corporation

700 Dresher Road
P.O. Box 349
Horsham, Pennsylvania 19044
(215) 657-7510
FAX: (215) 657-3830

Officers: Ayhan Hakimoglu, president; Palle Christensen, exec. v.p.; John Vanderslice, sr. v.p. & president-Aydin Vector; B. Jack Miller, v.p.-corp. marketing; Gary I. Boswell, v.p. & president-Aydin Computer & Monitor; Jay I. Landis, treasurer; Herbert Welber, controller & asst. treasurer; Robert A. Clancy, secretary; Mats Ofverberg, v.p. & pres.-Aydin Corp. (West); Alfred Vara, v.p. & president-Aydin Controls; Zeynep B. Hakimoglu, asst. secretary; Demirhan Hakimoglu, v.p. & chief exec. officer-Aydin-Aymet A.S.; Geraldine A. Hakimoglu, asst. v.p.- investor & government relations.

Directors: Ayhan Hakimoglu, chairman; Frederick G. Allen; Nev A. Gokcen; Harry D. Train, II; Palle S. Christensen.

Areas of Work: Designs, manufactures and sells communications products and systems for satellite, troposcatter and line-of-sight, microwave radios, computer communications, data links and avionics, computer equipment and systems, high-resolution color monitors, workstations, air defense consoles and systems, radars, military computer systems, arm decoys and electronic warfare equipment.

Divisions and Subsidiaries:

AYDIN Corporation (West)
30/32 Great Oaks Boulevard
San Jose, California 95119-1371
(408) 629-0100
FAX: (408) 224-4625
Digital microwave radios, troposcatter terminals, satellite earth stations and equipment, high-power amplifiers, telecom systems, radars, radar simulation and electronic warfare systems.

AYDIN Controls (U.K.) Ltd.
1/3 Hunting Gate
Hitchin, Herts, SG4 OTJ, England
Display terminals, workstations, color monitors and computer systems.

AYDIN Computer & Monitor Division
700 Dresher Road
Horsham, Pennsylvania 19044
(215) 657-8600
Command and control, ground data receive and processing equipment and systems, military display processors, large screen displays, and computer networking equipment.

AYDIN Vector Division
P.O. Box 328
47 Friends Lane
Newtown, Pennsylvania 18940
(215) 968-4271
Military avionics and special microcircuits, airborne data acquisition and transmission.

AYDIN Raytor Division
Commerce Drive
Montgomeryville Industrial Center
Montgomeryville, Pennsylvania 18936
(215) 855-1121
Electronic cabinetry and sheet metal.

AYDIN Molded Devices Division
2757 East Del Amo Boulevard
Rancho Dominguez, California 90221
(213) 764-5211
Vinyl components.

AYDIN Electro Fab Division
960 River Road
Croydon, Pennsylvania 19020
(215) 788-0401
Printed circuit boards.

AYDIN International U.K.
1/3 Hunting Gate
Hitchin, Herts, SG4 OTJ, England
Data acquisition, transmission and receive.

AYDIN Controls Division
414 Commerce Drive
Fort Washington, Pennsylvania 19034
(215) 542-7800
Color display terminals, workstations, color monitors, telecom multiplexers and transcoders.

AYDIN Corporation
Corporate Marketing Office
4660 Kenmore Avenue
Suite 1018
Alexandria, Virginia 22304
(703) 823-9735

Transfer Agent(s):

Mellon Bank (East) N.A.
One Mellon Plaza
Philadelphia, Pennsylvania 19101

Stock Exchange(s): New York

Ticker Symbol: AYD

Number of Employees:

1990	2,000	1987	2,000
1989	2,000	1986	2,000
1988	2,000		

Plant Footage:

1990	600,000 sq. ft.	1987	650,000
1989	600,000	1986	650,000
1988	600,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 142,269,000	$ 7,465,000
1989	157,486,000	9,190,000
1988	169,655,000	8,368,000
1987	149,240,000	14,808,000
1986	136,791,000	6,952,000

	No. of Com. Shares #	Earn. per Share +
1990	4,908,563	$ 1.51
1989	5,008,349	1.81
1988	5,021,410	1.66
1987	5,169,093	2.62
1986	5,584,531	1.21

Adjusted to reflect stock split.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1990 (000's)	%	1989 (000's)	%
Communications	$ 97,200	57%	$ 88,500	56%
Computer equip. & systems	50,900	30	52,300	33
Radars, radar simulation & EW	21,600	13	16,700	11
Total	$ 169,700	100%	$ 157,500	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	1.00	—	—
1988	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 85,872,000	$ 17.49
1989	79,983,000	15.97
1988	76,073,000	15.15
1987	69,657,000	13.48
1986	60,065,000	10.75

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 142,269,000	$ 157,486,000
Cost of sales	99,873,000	108,665,000
Expenses		
Sell., gen. & adm.	26,571,000	28,137,000
Res. & develop.	6,230,000	6,579,000
Interest expense (income)	(470,000)	615,000
Income before taxes	$ 10,065,000	$ 13,490,000
Income taxes	2,492,000	4,300,000
Minority interest	108,000	—
Net Income	$ 7,465,000	$ 9,190,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,851,000 in 1990 and $4,825,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 8,050,000	$ 13,726,000
Short-term invest.	44,910,000	—
Accts. receiv., net	38,024,000	36,406,000
Unbilled rev.	38,885,000	41,814,000
*Inventories	18,508,000	19,873,000
Prepaid expenses	1,132,000	551,000
Current Assets	$ 149,509,000	$ 112,370,000
#Fixed assets	29,587,000	31,065,000
Other assets	751,000	910,000
Total Assets	$ 179,847,000	$ 144,345,000

Liabilities

Long-term debt, curr.	$ 385,000	$ 1,172,000
Dividend payable	—	5,028,000
Accts. payable	11,311,000	10,817,000
Accruals	5,511,000	6,131,000
Contract billings in exc. of recog. rev.	55,219,000	1,907,000
Income taxes	3,731,000	8,272,000
Curr. Liabilities	$ 76,157,000	$ 33,327,000
Long-term debt	3,076,000	9,255,000
Deferred income taxes	14,231,000	21,780,000
Minority interest	511,000	—
+Common stock	4,909,000	5,008,000
Retained earnings	80,963,000	74,975,000
Total Liabilities & Shareholders' Equity	$ 179,847,000	$ 144,345,000

* At lower of cost (FIFO, average or specific job cost) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.07	8.57
% Net Income to Sales	5.25	5.64
% Net Income to Equity	8.69	11.49
Sales to Inventories	7.69	7.92
Debt to Equity	0.04	0.13
Working Capital	$ 73,352,000	$ 79,043,000
Current Ratio	1.96	3.77
Shareholders' Equity	$ 85,872,000	$ 79,983,000

Badger Meter, Inc.

4545 W. Brown Deer Road
P.O. Box 23099
Milwaukee, Wisconsin 53223-0099
(414) 355-0400
FAX (414) 355-2544

Officers: James O. Wright, chairman of the board; James L. Forbes, president & chief exec. officer; R. Robert Howard, v.p.-finance & treasurer; William J. Shinners, v.p. & controller; W. H. Vander Heyden, exec. v.p.-Industrial Divisions & chief technical officer; Rebecca L. Rush, treasurer; Ronald H. Dix, v.p.-administration & human resources; Larry J. Ewing, division v.p.-PMI; Ray Gardner, division v.p.-valves; Michael J. Kyser, v.p.-market development-flowmeters; Marcos G. Saiki, v.p.-marketing, flowmeters; Rod G. Cumber, v.p.-operations; Byron L. Bradley, v.p.-engineering; Heinz G. Erb, v.p.-Europe

Directors: James O. Wright, chairman; Robert M. Hoffer, James L. Forbes, Edwin P. Wiley, Donald J. Schuenke, James O. Wright, Jr., Charles F. James, Jr., Warren R. Stumpe, William H. Vander Heyden

Areas of Work: Engaged in the marketing and production of water meters and automatic meter reading systems for utility markets; ultrasonic flow meters used in wastewater disposal systems, irrigation projects and water purification plants; and precision control valves, concrete batch controllers, and natural gas instrumentation for industrial markets.

Divisions and Subsidiaries:

Utility Division
Milwaukee, Wisconsin

Industrial Division
Tulsa, Oklahoma

Precision Measurement Incorporated (80% owned)
Duncanville, Texas
Develops and manufactures natural gas instrumentation

Badger Meter de Mexico, S.A. de C.V.
Nogales, Sonora, Mexico

Badger Meter Europe, GmbH
Stuttgart, Germany

Medidores Azteca, S.A.
Mexico City, Mexico

Transfer Agent(s):

First Wisconsin Trust Company
Milwaukee, Wisconsin

Stock Exchange(s): American

Ticker Symbol: BMI

Number of Employees:

1990	855	1987	1,027
1989	874	1986	994
1988	864		

Plant Footage:

1990	451,800 sq. ft.	1987	438,500
1989	451,800	1986	418,500
1988	451,800		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 77,100,000	$ 2,332,000
1989	72,266,000	2,375,000
1988	71,150,000	2,071,000
1987	66,737,000	1,799,000
1986	60,947,000	1,172,000

	No. of Com. Shares ≠	Earn. per Share ‡
1990	1,699,989	$ 1.45
1989	1,543,542	1.54
1988	1,520,042	1.38
1987	1,485,470	1.21
1986	1,471,444	0.80

+ Of continuing operations only
≠ Common stock and Class B Common stock combined
‡ Based on the weighted average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.1550	—	—
1989	1.1025	—	—
1988	1.0800	—	—
1987	1.0800	—	—
1986	0.4750	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 28,168,000	$ 16.57
1989	25,897,000	16.78
1988	23,975,000	15.77
1987	22,118,000	14.89
1986	20,688,000	14.06

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 77,099,914	$ 72,266,278
Cost of sales	46,675,867	44,540,042
Expenses	25,475,461	22,805,720
Interest expense	1,164,153	983,327
Foreign currency	141,439	33,543
Other charges	136,195	105,884
Inc. bef. taxes	$ 3,506,799	$ 3,797,762
Income taxes	1,175,000	1,423,000
Net Income	$ 2,331,799	$ 2,374,762

* Included in Costs and Expenses, Depreciation and Amortization: $3,823,105 in 1990 and $3,183,844 in 1989.

Assets

As of Dec. 31	1990	1989
Cash	$ 745,040	$ 1,017,176
Recvs., net	11,146,234	10,496,397
*Inventories	13,584,436	13,785,821
Prepaid expenses	1,026,231	887,980
Current Assets	$ 26,501,941	$ 26,187,374
≠Fixed assets	16,445,382	14,555,947
Intangibles	2,024,942	1,643,439
Prepaid pension	3,075,581	2,500,676
Defer. charges & other assets	2,622,465	1,784,867
Total Assets	$ 50,670,311	$ 46,672,303

Liabilities

Notes payable	$ 1,942,603	$ 5,486,842
Accts. payable	3,057,217	3,556,167
Accrued compensation	2,432,205	2,656,846
Accrued benefits	271,561	321,791
Income taxes	100,136	22,784
Other taxes	333,586	340,084
Curr. Liabilities	$ 8,137,308	$ 12,384,514
Long-term debt	10,400,000	5,183,333
Deferred inc. taxes	2,800,423	2,662,000
Accrued benefits	1,164,415	545,603
+ Common stock	1,526,242	1,521,242
+ + Class B Common stock	56,278	57,438
Add. paid-in capital	6,447,161	3,913,401
Retained earnings	23,280,023	21,896,755
Employee benefit stock	(2,752,501)	(939,898)
Treasury stock	(389,038)	(552,085)
Total Liabilities & Shareholders' Equity	$ 50,670,311	$ 46,672,303

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $1 par value
+ + $0.10 par value

Statistical Summary

% Income bef. Taxes to Sales	4.55	5.26
% Net Income to Sales	3.02	3.29
% Net Income to Equity	8.28	9.17
Sales to Inventories	5.68	5.24
Debt to Equity	0.44	0.41
Working Capital	$ 18,364,633	$ 13,802,860
Current Ratio	3.26	2.11
Shareholders' Equity	$ 28,168,165	$ 25,896,851

Bairnco Corporation

2251 Lucien Way
Maitland, Florida 32751
(407) 875-2222
FAX (407) 875-3398

Officers: Luke E. Fichtorn, III, chairman; Richard A. Shantz, president; J. Robert Wilkinson, v.p.-finance & treasurer; Barry M. Steinhart, v.p.-administration & secretary; William A. Roy, v.p.-corporate development; Duncan J. del Toro, v.p.; Timothy J. Mortenson, controller

Directors: Russell Banks, Luke E. Fichthorn, III, William L. Read, Charles T. Foley, Richard A. Shantz

Areas of Work: The Company conducts its operations in four major market areas. The largest market area is Replacement Products and Services, followed by Electronic Materials and Components, Custom Industrial Products and Specialty Construction Products. Bairnco's principle products include replaement band saw blades for cutting meat, fish, wood and metal, equipment and on site services for the retail food industry, microwave and RF circuit board materials and fiber optic communication components.

Subsidiaries:

Kasco Corporation
Arlon Inc.
Shielding Systems Corporation

Belling Lee Intec Limited
Enfield, England
A designer and producer of electromagnetic shielding and anechoic chambers serving customers in Europe

Bro-France
Paris, France
A distributor of equipment service and supplies based near Paris

Transfer Agent(s):

Trust Company Bank
P.O. Box 4625
Atlanta, Georgia 30302

Bairnco Corporation

Stock Exchange(s): New York

Ticker Symbol: BZ

Number of Employees:

1990	1,299	1987	5,341
1989	1,594	1986	5,342
1988	1,753		

Plant Footage:

1990	1,041,200 sq. ft.	1988	1,378,000
1989	N.A.		

N.A.-Not Available

Sales & Earnings

	Net Sales *	Net Income
1990	$ 185,910,000	$ (3,377,000)
1989	179,752,000	(1,924,000)
1988	195,802,000	25,465,000
1987	162,948,000	28,249,000
1986	149,079,000	22,530,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	10,442,000	$ —
1989	10,698,000	—
1988	10,659,000	2.39
1987	10,522,000	2.68
1986	10,219,000	2.20

( ) Loss
* Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990	1989
Replacement prods. & serv.	$ 55,773,000	$ 45,977,000
Electron. materials & compon.	46,142,000	41,352,000
Custom industrial prods.	41,304,000	45,232,000
Specialty construc. prods.	42,691,000	47,251,000
Total	$ 185,910,000	$ 179,752,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.40	—	—
1989	0.95	—	—
1988	0.85	—	—
1987	0.75	—	—
1986	0.65	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 60,013,000	$ 5.75
1989	200,448,000	19.20
1988	218,523,000	20.52
1987	213,126,000	20.44
1986	185,656,000	18.25

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 185,910	$ 179,752
Cost of sales	121,821	118,127
Special charges	4,491	6,849
Selling & adm. expenses	55,819	50,348
Interest expense	5,324	488
Restruc. costs	6,140	—
Inc. (loss) bef. taxes	$ (7,885)	$ 3,941
Income taxes (credit)	(922)	2,115
Inc. (loss) : cont. oper.	$ (6,963)	$ 1,826
Inc. (loss) : discont. oper.	3,586	(3,750)
Net Loss	$ (3,377)	$ (1,924)

* Included in Costs and Expenses, Depreciation and Amortization: $9,172,000 in 1990 and $9,823,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 2,390	$ 22,652
Accts. receiv., net	27,802	28,319
*Inventories	26,966	24,072
Deferred inc. taxes	1,005	2,686
Other curr. assets	4,671	1,626
Current Assets	$ 62,834	$ 79,355
#Fixed assets	38,141	41,362
Deferred inc. tax benefit	9,014	10,941
Cost in exc. of assets acq.	36,662	28,044
Net assets of spun-off subsid.	—	131,668
Other assets	9,124	11,454
Total Assets	$ 155,775	$ 302,824

Liabilities
(000's)

	1990	1989
Short-term debt	$ 2,014	$ 52,032
Long-term debt, curr.	18	69
Accts. payable	12,748	14,756
Accrued payroll	4,089	2,819
Accrued inc. taxes	—	2,432
Accrued insurance	3,843	3,214
Accrued loss contracts	4,045	1,670
Accrued costs-discont. oper.	—	7,369
Other accruals	13,023	8,956
Curr. Liabilities	$ 39,780	$ 93,317
Long-term debt	51,077	3,465
Deferred inc. taxes	2,580	4,547
Other liabilities	2,325	1,047
+Common stock	545	545
Add. paid-in capital	50,786	50,312
Retained earnings	18,481	159,390
Treasury stock	(9,799)	(9,799)
Total Liabilities & Shareholders' Equity	$ 155,775	$ 302,824

* At cost (FIFO), which is not in excess of market
# Less accumulated depreciation and amortization
+ $0.05 par value

Statistical Summary

	1990	1989
Sales to Inventories	6.89	7.47
Debt to Equity	0.88	0.28
Working Capital	$ 23,054,000	$ 123,619,000
Current Ratio	1.58	2.17
Shareholders' Equity	$ 60,013,000	$ 200,448,000

Ball Corporation

345 South High Street
P.O. Box 2407
Muncie, Indiana 47307-0407
(317) 747-6100
FAX: (317) 747-3203

Officers: Alvin Owsley, chairman; Delmont A. Davis, president & chief executive officer; William L. Peterson, vice chairman & chief financial officer; Duane E. Emerson, sr. v.p.-administration; Donovan B. Hicks, group v.p. aerospace systems; John H. Snyder, group v.p. diversified products; David A. DiLoreto, group v.p. packaging products; Albert R. Schlesinger, v.p. & controller; R. David Hoover, v.p. & treasurer; George A. Sissel, sr. v.p., corp. secretary & general counsel; Charles E. Wild, v.p. human resources; Thomas B. Clark, v.p.-communications planning & development; Richard E. Durbin, v.p.-information services; Elizabeth A. Overmyer, asst. secretary; Donald C. Lewis, asst. secretary; Larry D. ~~Miller, director~~-corp. communications.

Directors: Alvin Owsley, Richard M. Ringoen, Delbert C. Staley, Richard M. Gillett*, Henry C. Goodrich*, A. Malcolm McVie, William L. Peterson*, William P. Stiritz, Howard M. Dean, John F. Lehman, Jr., Delmont A. Davis.

* Member of the Executive Committee

Areas of Work: Manufactures packaging, aerospace systems and diversified products and provides professional services to the federal sector. The Company produces metal beverage containers and ends for brewers and soft drink fillers, and three-piece caps and glass containers for the food and juice industries. Thermoformed plastics are manufactured for the appliance market. Home food preservation products are sold in the retail marketplace. In the technology area, the Company designs and produces space, defense and communications systems, services the electo-optical, electro-mechanical, cryogenic and time/frequency standards markets, and provides support services to the federal government and defense contractors. Diversified products and services include fabricated zinc, injection-molded plastics, industrial systems for automated and machine vision inspection systems, plus slitting, cutting, coating and lithographing of light-gauge steel.

Divisions and Subsidiaries:

Aerospace Systems

Space Systems Division
Boulder, Colorado
Designs and builds spacecraft and complete space and ground systems and sub-systems.

Communication Systems Division
Broomfield, Colorado
Manufactures space and tactical antennas, as well as complete communications systems.

Efratom Division
Irvine, California
Designs and manufactures time/frequency standards for the aviation and commercial communications systems markets.

Electro-optics/cryogenics Division
Boulder, Colorado
Produces subsystems, including cryogenics for coolants and life support systems, electro-mechanical and electro-optical products for navigation and pointing control systems.

Systems Engineering Division
San Diego, California
Provides support services to the federal government and defense contractors.

Diversified Products

Zinc Products Division
Greeneville, Tennessee
Makes rolled zinc products, including battery cans, and copper-plated zinc coin blanks and zinc strips for automobiles.

Metal Decorating & Service Division
Chicago, Illinois
Provides metal lithography, metal coatings and specialized light-gauge metal servicing and warehousing functions, including sheeting, slitting and blanking.

Unimark Plastics Division
Greenville, South Carolina
Precision injection molding products for the medical and electronics industries.

Industrial Systems Division
Akron, Ohio
Manufactures industrial instruments for automated and machine vision inspection systems.

Consumer Products Division
Muncie, Indiana
Markets Ball home canning jars and food preservative products.

Packaging Products
Manufactures metal containers for beer and soft drinks; high barrier plastic sheet and containers for food and juices; thermoformed plastic refrigerator and freezer door liners, and decorated injection molded plastic products.

Metal Container Division
Westminster, Colorado
Manufactures aluminum and steel containers and ends for the beer and soft drink markets.

Plastics Division
Westminster, Colorado
Develops and produces coextruded, high-barrier plastic rollstock and formed containers for foods and juices, and thermoformed plastic refrigerator and freezer door liners.

Kent Plastics, Ltd.
Enniskillen, Northern Ireland
Produces decorated, injection-molded components, primarily for the automotive industry.

Joint Ventures:

Ball Packaging Products Canada, Inc.
Toronto, Ontario, Canada
Metal containers for foods, soft drinks, beer, household and industrial markets.

Lam Soon-Ball International, Inc.
Hsin Feng, Taiwan
An aluminum beverage can plant.

Ball-InCon Glass Packaging Corp.
Muncie, Indiana
Produces glass containers focusing primarily on the food and beverage industries.

Transfer Agent(s):

First Chicago Trust Company of New York
P.O. Box 3506
Church Street Station
New York, New York 10008-3506

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: BLL

Number of Employees:*

1990	7,100	1987	6,900
1989	7,154	1986	9,000
1988	7,100		

* Excludes joint ventures.

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 1,357,200	$ 44,400
1989	1,222,400	35,100
1988	1,073,000	50,500
1987	1,054,100	60,100
1986	1,093,400	59,400

	No. of Com. Shares #	Earn. per Share #
1990	21,886,000	$ 2.03
1989	22,959,000	1.44
1988	23,299,000	2.17
1987	23,631,000	2.54
1986	23,613,000	2.52

Based on the average number of shares outstanding.

Revenues by Line of Business

	1990 (000's)	%	1989 (000's)	%
Packaging	$ 910,100	67%	$ 780,900	64%
Aerospace	272,600	20	273,600	22
Diversified	174,500	13	167,900	14
Total	$1,357,200	100%	$1,222,400	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.14	—	—
1989	1.10	—	—
1988	1.02	—	—
1987	0.89	—	—
1986	0.77	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 403,900 #	$ 18.28
1989	383,000 #	17.39
1988	421,400	17.92
1987	391,200	16.77
1986	368,400	15.58

After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,357,200	$ 1,222,400
Cost of sales	1,165,200	1,078,500
Expenses	97,400	84,200
Unusual items	9,100	—
Interest expense	22,200	20,300
Income before taxes	$ 63,300	$ 39,400
Income taxes	19,700	12,800
Eq. in inc. of affil.	(6,600)	(9,200)
Net Income	$ 50,200	$ 35,800

* Included in Costs and Expenses, Depreciation $53,500,000 in 1990 and $50,100,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & temp. invest.	$ 30,000	$ 10,400
Accts. receiv., net	217,900	176,200
*Inventories	272,500	165,300
Prepaid expenses	21,800	22,100
Current Assets	$ 542,200	$ 374,000
#Fixed assets	610,100	434,700
Invest. in affil.	42,400	78,700
Other assets	112,900	50,600
Total Assets	$ 1,307,600	$ 938,000

Liabilities
(000's)

	1990	1989
Short-term debt & long-term debt, curr.	$ 83,300	$ 55,200
Accts. payable	141,500	105,700
Accrued payroll	64,900	33,400
Other curr. liabilities	33,300	25,000
Curr. Liabilities	$ 323,000	$ 219,300
Long term debt	404,800	262,800
Deferred inc. taxes	68,400	51,200
Deferred comp.	40,700	20,400
Minority interest	13,200	—
+Series B ESOP pref. stock	70,000	70,100
Unearned compensation-ESOP	(66,700)	(68,800)
++Series C pref. stock	50,300	—
+++Common stock	27,200	26,800
Retained earnings	429,700	410,000
Treasury stock	(53,000)	(53,800)
Total Liabilities & Shareholders' Equity	$ 1,307,600	$ 938,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value: Series B, $2.76 cumulative convertible.
++ No par value: Series C, adjustable rate cumulative.
+++ No par value.

Statistical Summary

% Income bef. Taxes to Sales	4.66	3.22
% Net Income to Sales	3.70	2.93
% Net Income to Equity	12.43	9.35
Sales to Inventories	4.98	7.40
Debt to Equity	1.21	0.83
Working Capital	$ 219,200,000	$ 154,700,000
Current Ratio	1.68	1.71
Shareholders' Equity	$ 403,900,000	$ 383,000,000

Bally Manufacturing Corporation

8700 West Bryn Mawr Avenue
Chicago, Illinois 60631
(312) 399-1300
FAX: (312) 693-2982

Officers: Arthur M. Goldberg, chairman of the board & chief exec. officer; Richard Gillman, president & chief operating officer; James M. Rochford, v.p.-corporate affairs & governmental relations; William F. Chandler, v.p., controller & acting C.F.O.; Neil E. Jenkins, v.p., corporate secretary & general counsel.

Directors: Arthur M. Goldberg, chairman; James M. Rochford, George N. Aronoff, Patrick L. O'Malley, Kenneth C. Nichols, James A. Lovell, Pierre A. Rinfret, Richard Gillman, Nat Solomon, Eugene F. Tighe, Jr., Edwin M. Halkyard.

Areas of Work: The company and its subsidiaries are involved in three industry segments. The Casino Hotel segment includes the operation of the Bally's Park Place Casino Hotel and Bally's Grand Hotel & Casino in Atlantic City, New Jersey and Bally's Las Vegas casino resort in Nevada. The Fitness Centers segment includes the operation of 310 fitness centers. The Products & Services segment includes the design, production and supply of instant ticket lottery games and on-line lottery systems. In addition, this segment includes the design, manufacture, distribution & sale of fitness equipment.

Divisions and Subsidiaries:

Bally Gaming, Inc.
Las Vegas & Reno, Nevada

Life Fitness, Inc.
Irvine, California
Manufactures and distributes fitness equipment.

Life Fitness Europe GmbH
Munich, West Germany

Bally's Park Place, Inc.
Atlantic City, New Jersey

Bally's Las Vegas
Las Vegas, Nevada

Bally's Reno
Reno, Nevada

Bally's Grand, Inc.
Atlantic City, New Jersey

Scientific Games, Inc.
Atlanta, Georgia
Designs, produces and supplies instant ticket lottery games and on-line lottery systems.

Bally Wulff Automaten GmbH
Berlin, Germany

Bally Wulff Vertriebs GmbH
Hannover, West Germany

Bally Gaming International GmbH
Hannover, West Germany

Bally's Health and Tennis Corporation
Los Angeles, California
Operates over 250 health and fitness centers.

Bally Manufacturing Corporation

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: BLY

Number of Employees: *

1990	33,000	1987	21,530
1989	31,200	1986	21,345
1988	25,375		

* Full-time only

Sales & Earnings

	Revenues +	Net Income ≠
1990	$ 2,082,219,000	$ (280,343,000)
1989	2,069,234,000	17,405,000
1988	1,932,517,000	[illegible]01,000
1987	1,730,128,000	[illegible]48,000
1986	1,247,544,000	23,701,000

	No. of Com. Shares †	Earn. per Share ≠ †
1990	28,400,000	$ —
1989	26,900,000	0.35
1988	26,700,000	1.12
1987	28,600,000	1.62
1986	29,200,000	0.81

(Loss)
+ Of continuing operations only.
≠ Including extraordinary gain of $11,965,000 in 1990 and extraordinary loss of $8,411,000 ($0.31 per share) in 1989.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Casino hotels	$ 914,800	$ 948,500
Fitness centers	814,800	778,100
Products and services	363,200	319,700
Amusement games & services	—	34,700
Corporate	(10,600)	(11,800)
Total	$ 2,082,200	$ 2,069,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.225	—	—
1989	0.285	—	—
1988	0.22	—	—
1987	0.20	—	—
1986	0.20	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1990	$ 331,306,000	$ 11.67
1989	594,604,000	22.10
1988	579,464,000	21.70
1987	568,274,000	19.87
1986	492,943,000	16.88

‡ After allowing for preferred stock at par value.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Revenues	$ 908,801	$ 942,257
Services	754,239	756,763
Sales	333,698	291,392
Interest	78,097	71,245
Other income	7,384	7,577
Total income	$ 2,082,219	$ 2,069,234
Cost of revenues, services & sales	1,445,010	1,407,800
Expenses	498,298	450,012
Unusual items	234,374	(42,031)
Interest expense	230,489	205,980
Inc. (loss) bef. taxes	$ (325,952)	$ 47,473
Income taxes (credit)	(33,644)	21,657
Net Income (Loss)	$ (292,308)	$ 25,816
Extraord. items	11,965	(8,411)
Net Income (Loss) & extraord. items	$ (280,343)	$ 17,405

* Included in Costs and Expenses, Depreciation and Amortization: $159,727,000 in 1990 and $153,944,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 71,756	$ 74,633
Receiv., net	371,794	440,331
*Inventories	30,773	33,941
Other curr. assets	44,751	57,940
Current Assets	$ 519,074	$ 606,845
Assets of Bally's Grand	494,696	—
Long-term receiv.	204,054	172,244
≠ Fixed assets	1,349,317	1,837,508
Other assets	41,038	66,069
Intangibles	282,077	346,802
Total Assets	$ 2,890,256	$ 3,029,468

Liabilities
(000's)

	1990	1989
Notes payable	$ 15,414	$ 10,325
Long-term debt, curr.	5,307	58,743
Accts. payable	80,784	72,688
Accruals	192,804	224,889
Income taxes pay.	26,286	53,345
Def. inc. taxes	16,465	28,483
Deferred revenues	98,701	94,380
Debt in default	690,547	—
Curr. Liabilities	$ 1,126,308	$ 542,853
Liab. of Bally's Grand	494,696	—
Long-term debt	744,115	1,700,564
Other liabilities	192,626	189,447
+Preferred stock-Series D	1,205	2,000
++Common stock	23,674	21,642
Add. paid-in capital	308,862	299,532
Retained earnings	61,037	355,586
Currency trans. adj.	19,508	11,280
Treasury stock	(80,496)	(78,051)
Unearned compensation	(1,279)	(15,385)
Total Liabilities & Shareholders' Equity	$ 2,890,256	$ 3,029,468

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $1 par value; 8% convertible, exchangeable
++ $0.66 2/3 par value

Statistical Summary

% Income bef. Taxes to Revenues	—	5.04
% Net Income to Revenues	—	2.74
% Net Income to Equity	—	4.33
Debt to Equity	2.30	2.97
Working Capital	—	$ 63,992,000
Current Ratio	—	1.12
Shareholders' Equity	$ 332,511,000	$ 596,604,000

Banner Industries, Inc.

Executive offices:

110 East 59th Street
New York, New York 10022
(212) 308-4966
FAX: (212) 888-5674

Corporate and operating offices:
25700 Science Park Drive
Cleveland, Ohio 44122
(216) 464-3650

Officers: Jeffrey J. Steiner, chairman & chief exec. officer; Emanuel Fthenakis, president & chief operating officer; Samuel J. Krasney, vice chairman; Dominic A. Petito, sr. v.p. & general counsel; Michael T. Alcox, sr. v.p.-finance & treasurer; Max Makowsky, v.p.-international; John I. Flynn, v.p.-tax; Mark W. Wester, v.p. & controller; Michael J. Vantusko, v.p.; John D. Jackson, secretary.

Directors: Jeffrey J. Steiner, chairman; Eric I. Steiner, John P. Calhoun, Philip David, Milton H. Dresner, Emanuel Fthenakis, Harold J. Harris, Samuel J. Krasney, Frederick W. McCarthy, Herbert S. Richey, Michael T. Alcox, Carl Icahn.

Areas of Work: The Company's operations are currently being conducted in two business segments. Aerospace operations include the distribution of aircraft hardware replacement parts and tires, and the manufacturing of high-performance specialty fasteners. The Water Treatment and Pumps operations include the manufacture of a broad line of water and wastewater treatment equipment as well as diversified industrial pumps.

Divisions & Subsidiaries:

AEROSPACE DISTRIBUTION GROUP

Banner Aircraft International, Inc.
Thompson Aircraft Tire Corporation
Burbank Aircraft Supply, Inc.
Adams Industries, Inc.
NASAM, Inc.
Solair, Inc.
Matrix Aviation, Inc.
Barcel Wire and Cable Corporation
Banner Aeronautical Corp.
Aero International Representative, Inc.
DAC International, Inc.
Miltec, Inc.
PacAero
Aircraft Bearing Corp.
Ruart Bearing Co.
Harco
Austin Jet International
Dallas Aerospace, Inc.

AEROSPACE MANUFACTURING GROUP

Rosan Products
Camloc Products
Tridair Products
RAM
Voi-Shan
Screwcorp

WASTE WATER TREATMENT GROUP

Envirex Inc.
McGinnes-Royce Corporation
General Filters Co.

INDUSTRIAL DESIGN GROUP

D-M-E Company

COMMUNICATION SERVICES

Fairchild Communications Services Company

MECHANICAL POWER ACTIVITIES

Rexnord Corporation

Fairchild Industries, Inc.
Washington Dulles International Airport
300 West Service Road, P.O. Box 10803
Chantilly, Virginia 22021
Consists of three business segments: Aerospace, Industrial Products and Communication Services.

Transfer Agent(s):

Huntington National Bank
Cleveland, Ohio

Stock Exchange(s): New York, Pacific

Ticker Symbol: BNR

Sales & Earnings

	Net Sales +	Net Income #
1990	$ 703,202,000	$ 1,527,000
1989	313,705,000	49,967,000
1988	250,393,000	(7,041,000)
1987	124,657,000	10,201,000
1986	71,356,000	6,540,033

	No. of Com. Shares †	Earn. per Share #‡
1990	16,270,000	$ 0.06
1989	13,355,000	3.30
1988	12,792,000	—
1987	13,594,000	0.67
1986	14,008,000	0.52

(Loss)
+ Includes revenues: of continuing operations only
# Including extraordinary gains of $6,400,000 ($0.39 per share) in 1990, $1,510,000 ($0.11 per share) in 1987 and extraordinary loss of $8,070,000 ($0.56 per share in 1989
† Adjusted to reflect stock splits
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	2-for-1
1988	0.02	—	3-for-2
1987	0.04	—	—
1986	0.01	—	—

+ Adjusted to reflect stock splits

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 114,009,000	$ 7.01
1989	95,251,000	6.42
1988	86,771,000	4.06
1987	101,608,000	4.91
1986	57,912,000	4.14

‡ After allowing for preferred stock at par value
# Adjusted to reflect stock splits

Income Account *
(000's)

Year ended June 30	1990	1989
Net sales	$ 703,202	$ 313,705
Cost of sales	471,425	200,755
Expenses	177,068	95,386
Interest expense	90,518	78,922
Invest. income	(26,074)	(42,472)
Eq. in income of affil.	(4,414)	(14,139)
Non-recurr. income	—	(85,555)
Income (loss) bef. taxes	$ (5,321)	$ 80,808
Income taxes (credit)	(1,020)	34,450
Inc. (loss) - cont. oper.	$ (4,301)	$ 46,358
Inc.(loss) - discont. oper.	(572)	11,679
Net Income (Loss)	$ (4,873)	$ 58,037
Extraord. items	6,400	(8,070)
Net Income (Loss) & extraord. items	$ 1,527	$ 49,967

* Included in Costs and Expenses, Depreciation and Amortization: $26,685,000 in 1990 and $13,764,000 in 1989

Assets
(000's)

As of June 30	1990	1989
Cash	$ 3,619	$ 58,736
Investments	74,394	167,352
Accts. receiv., net	115,118	112,800
*Inventories	251,400	188,921
Net assets held for sale	134,139	220,674
Prepaid expenses	22,557	29,292
Current Assets	$ 601,227	$ 777,775
#Fixed assets	184,061	201,935
Investments	14,646	7,022
Cost in exc. of assets purch.	241,598	220,324
Deferred loan costs	25,510	29,045
Prepaid pension costs	51,850	47,515
Notes receivable	16,039	16,827
Other assets	27,501	40,559
Total Assets	$ 1,162,432	$ 1,341,002

Liabilities
(000's)

	1990	1989
Notes payable	$ 53,298	$ 25,561
Long-term debt, curr.	17,436	61,916
Accts. payable	68,667	72,956
Accrued payroll	18,075	17,546
Accrued interest	16,914	22,750
Liability for Fairchild stock	—	55,210
Accrued inc. taxes	23,012	12,806
Other curr. liab.	48,920	79,168
Curr. Liabilities	$ 246,322	$ 347,913
Long-term debt	576,821	680,598
Deferred inc. taxes	56,834	33,710
Other liabilities	57,982	44,324
Post-retirement benefits	53,119	72,025
Redeem. pref. stock of subsid.	57,345	67,041
+Preferred stock	—	140
++Common stock	2,106	1,040
Add. paid-in capital	58,047	45,852
Retained earnings	90,536	89,525
Cum. trans. adjust.	4,801	(78)
Treasury stock	(41,481)	(41,481)
Total Liabilities & Shareholders' Equity	$ 1,162,432	$ 1,341,002

* Inventories (41% in 1990 and 51% in 1989) are stated at cost (LIFO), which does not exceed market; remainder at lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.10 par value; 8% cumulative convertible
++ $0.10 par value

Statistical Summary

	1990	1989
% Net Income to Equity	—	60.84
Sales to Inventories	2.80	1.66
Debt to Equity	5.68	7.13
Working Capital	$ 354,905,000	$ 429,862,000
Current Ratio	2.44	2.24
Shareholders' Equity	$ 114,009,000	$ 95,391,000

Base Ten Systems, Inc.

One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010
FAX: (609) 586-1593

Officers: Myles M. Kranzler, president; William M. Errickson, sr. v.p. & secretary; James A. Eby, sr. v.p.-engineering; Edward J. Klinsport, group v.p. & chief financial officer; Richard G. Kandrac, v.p.-operations; Alan J. Eisenberg, v.p.; Andrew S. MacAninch, v.p.; Elio Ravera, v.p.; John F. Pohlke, v.p.

Directors: Myles M. Kranzler, chairman; William M. Errickson; James A. Eby; Robert G. Kales, Jr.; Edward J. Klinsport; Mark Auerbach

Areas of Work: Designs and manufactures electronic data systems used in the testing, research and development of new aircraft, missiles and satellites. Other applications include avionic controls and microprocessor systems, and alarm reporting systems.

Subsidiaries:

REM Machine Division
One Electronic Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010

Base Ten Manufacturing Division
One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010

Base Ten Systems Electronics, GmbH
Erfurter Strasse 29
8057 Eching, Federal Republic of Germany
01149893190020

Base Ten Systems, Ltd.
New Century House
Ancells Business Park, Fleet
Hampshire GU13 8UZ, United Kingdom
01144252811010

Base Ten International Sales, Ltd.
58 Duke Street
Kingston, Jamaica

Base Ten Aerospace and Communications, Inc.
One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010

Base Ten Software, Inc.
One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BASEA and BASEB (NASDAQ)

Number of Employees:

1990	373	1987	562
1989	483	1986	591
1988	510		

Plant Footage:

1990	131,000 sq. ft.	1987	118,000
1989	131,000	1986	118,000
1988	131,000		

Base Ten Systems, Inc.

Sales & Earnings

	Revenues +	Net Income
1990	$ 47,646,000	$ 1,758,000
1989	48,981,000	2,877,000
1988	36,678,000	(3,299,000)
1987	33,325,000	(1,818,000)
1986	32,417,000	799,000

	No. of Com. Shares #	Earn. per Share #
1990	3,515,551	$ 0.50
1989	3,515,551	0.82
1988	3,516,821	—
1987	3,527,448	—
1986	3,516,642	0.23

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 13,029,000	$ 3.71
1989	10,732,000	3.05
1988	9,119,000	2.59
1987	12,554,000	3.56
1986	13,641,000	3.88

+ Based on the weighted average number of shares outstanding.

Income Account*

Year ended Oct. 31	1990	1989
Net sales	$ 46,508,000	$ 47,306,000
Other income	1,138,000	1,675,000
Total revenues	$ 47,646,000	$ 48,981,000
Cost of sales	30,615,000	35,248,000
Expenses	12,716,000	9,874,000
Interest	1,513,000	1,119,000
Inc. bef. taxes	$ 2,802,000	$ 2,740,000
Income taxes	1,044,000	1,176,000
Inc. cont. oper.	$ 1,758,000	$ 1,564,000
Inc. discont. oper.	—	1,313,000
Net Income	$ 1,758,000	$ 2,877,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,776,000 in 1990 and $1,728,000 in 1989.

Assets

As of Oct. 31	1990	1989
Cash & cash equiv.	$ 2,519,000	$ 2,536,000
Accts. receiv., net	14,415,000	16,714,000
*Inventories	5,771,000	5,112,000
Other curr. assets	514,000	620,000
Restricted cash & invest.	1,556,000	—
Assets held for sale	945,000	—
Deferred costs	222,000	—
Current Assets	$ 25,942,000	$ 24,982,000
#Fixed assets	7,987,000	8,920,000
Restricted cash	—	1,556,000
Other assets	522,000	492,000
Invest. in market. secur.	1,062,000	839,000
Total Assets	$ 35,513,000	$ 36,789,000

Liabilities

Long-term debt, curr.	$ 6,127,000	$ 694,000
Accts. payable & accruals	6,895,000	6,003,000
Cust. advances	330,000	4,617,000
Income taxes	1,830,000	123,000
Curr. Liabilities	$ 15,182,000	$ 11,437,000
Long-term debt	6,000,000	12,748,000
Deferred inc. taxes	936,000	1,459,000
Deferred comp.	366,000	413,000
+Common stock		
Class A	2,886,000	2,881,000
Class B	629,000	634,000
Add. paid-in capital	9,653,000	9,653,000
Retained earnings (deficit)	850,000	(908,000)
For. curr. trans. adjust.	23,000	(294,000)
Val. allow. for market secur.	(1,012,000)	(1,234,000)
Total Liabilities & Shareholders' Equity	$ 35,513,000	$ 36,789,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.02	—
% Net Income to Sales	3.78	—
% Net Income to Equity	13.49	26.81
Sales to Inventories	8.06	8.73
Debt to Equity	0.93	1.25
Working Capital	$ 10,760,000	$ 13,545,000
Current Ratio	1.71	2.18
Shareholders' Equity	$ 13,029,000	$ 10,732,000

Becton, Dickinson and Company

One Becton Drive
Franklin Lakes, New Jersey 07417-1880
(201) 848-6800
FAX (201) 848-6475

Officers: Wesley J. Howe, chairman of the board; Raymond V. Gilmartin, president & chief exec. officer; Raymond P. Ohlmuller, v.p. & secretary; John W. Galiardo, v.p. & general counsel; Donald S. Hetzel, v.p.-research & development; Mark H. Borofsky, v.p.-taxes; Edward R. Duffie, Jr., v.p.-advanced business development; E. Ralph Biggadike, group president; Nagesh S. Mhatre, v.p.; Robert A. Reynolds, v.p.-finance & controller; James W. Hulse, v.p.-quality and regulatory affairs; James R. Wessel, v.p.-human resources; Paul Creager, group president; Clateo Castellini, sector president-medical; Walter M. Miller, sector president-diagnostic; Kenneth R. Weisshaar, v.p.-corp. planning, performance & development; Alfred J. Battaglia, group president; Geoffrey D. Cheatham, v.p. & treasurer; Thomas A. Reichert, v.p.- medical affairs.

Directors: Wesley J. Howe*, chairman; Harry N. Beaty, Raymond V. Gilmartin*, Henry P. Becton, Jr., Richard W. Hanselman*, William B. Macomber, Frank A. Olson, Gerald M. Edelman*, Raymond S. Troubh*, Thomas A. Holmes*, Gloria M. Shatto.

* Member of the Executive Committee

Areas of Work: The Company manufactures a broad range of medical and diagnostic products for use by the health care professionals, medical research institutions, and the general public.

Divisions and Subsidiaries:

Microbiology Systems
250 Schilling Circle
Cockeysville, Maryland 21030
Develops tests for infectious diseases.

Becton Dickinson FACS
490 B Lakeside Drive
Sunnyvale, California 94086
(408) 738-8558
Manufactures fluorescence-activated cell sorter systems which include an analysis console with microprocessor and keyboard.

Becton Dickinson Diagnostic Instrument Systems
Mountain View Avenue
Orangeburg, New York 10962
(914) 359-2700
Manufactures automated radioimmunoassay equipment which is used to detect the presence of extremely small quantities of minute substances.

Becton Dickinson and Company
One Becton Drive
Franklin Lakes, New Jersey 07417

Becton Dickinson Consumer Products
One Becton Drive
Franklin Lakes, New Jersey 07417

Becton Dickinson Labware
2 Bridgewater Lane
Lincoln Park, New Jersey 07035

Becton Dickinson Immunocytometry Systems
2350 Qume Drive
San Jose, California 55131

Becton Dickinson AcuteCare Division
One Becton Drive
Franklin Lakes, New Jersey 07417
Manufactures medical and surgical gloves and specialty surgical blades.

Becton Dickinson Research Center
Davis Drive
Research Triangle Park, North Carolina 27709

Becton Dickinson VACUTAINER Systems
1 Stanley Street
East Rutherford, New Jersey 07070

Becton Dickinson Primary Care Diagnostics
One Becton Drive
Franklin Lakes, New Jersey 07417

Ivers-Lee
147 Clinton Road
West Caldwell, New Jersey 07006
Provides packaging services to pharmaceutical, cosmetics and toiletry companies.

Deseret Medical
Manufactures and markets intravenous and operating room products and cardiovascular devices.

Nippon Becton Dickinson Ltd.
Shimato Building
5-34 Akaska 8-Chome
Minato-Ku, Tokyo 107 Japan

Becton Dickinson Europe
Pre Pichat
5, Chemin des Sources
38241 Meylan, France

Becton Dickinson VACUTAINER Systems-Europe
Becton Dickinson Laboratory Products-Europe
Becton Dickinson Medical Products-Europe
All at:

Pre Pichat
5, Chemin des Sources
38240 Meylan, France

Becton Dickinson Latin America
One Becton Drive
Franklin Lakes, New Jersey 07417

Transfer Agent(s):

First Chicago Trust Co. of N.Y.
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York

Ticker Symbol: BDX

Number of Employees:

1990	18,500	1987	19,900
1989	18,800	1986	19,300
1988	20,600		

Sales & Earnings

	Net Sales + (000's)	Net Income ? (000's)
1990	$ 2,012,654	$ 182,257
1989	1,811,456	213,596
1988	1,709,368	161,943
1987	1,462,882	148,164
1986	1,203,943	121,930

	No. of Com. Shares ‡		Earn. per Share † ‡
1990	38,660,000	$	4.67
1989	39,586,000		5.40
1988	40,401,000		4.01
1987	41,548,000		3.57
1986	42,903,000		2.85

* Of continuing operations only.
† Including extraordinary gains of $6,345,000 ($0.15 per share) in 1987 and $10,017,000 ($0.23 per share) in 1986.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

		1990		1989
Medical	$	1,155,174	$	1,063,616
Diagnostic		857,480		747,840
Total	$	2,012,654	$	1,811,456

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.08	—	—
1989	1.00	—	—
1988	0.86	—	—
1987	0.74	—	—
1986	0.66	—	2-for-1

Common Stock Equity

		Total Equity (000's)		Equity Per Share +
1990	$	1,180,085 #	$	32.77
1989		1,071,497		27.99
1988		959,803		24.33
1987		861,284		21.62
1986		803,925		19.62

After allowing for ESOP preferred stock at stated value.
+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30		1990		1989
Net sales	$	2,012,654	$	1,811,456
Cost of sales		1,091,298		983,142
Expenses		615,880		572,519
Interest expense		40,235		34,527
Other income		(8,866)		(6,518)
Income before taxes	$	274,107	$	227,786
Income taxes		91,850		69,784
Inc. - cont. oper.	$	182,257	$	158,002
Inc. - discont. oper.		—		55,594
Net Income	$	182,257	$	213,596

* Included in Costs and Expenses, Depreciation and Amortization: $135,723,000 in 1990 and $121,947,000 in 1989.

Assets
(000's)

As of Sept. 30		1990		1989
Cash & cash equivalents	$	41,663	$	61,039
Short-term invest.		31,214		34,015
Receivables, net		422,206		361,030
*Inventories		397,639		355,229
Prepaid expenses		69,152		57,317
Current Assets	$	961,874	$	868,630
Investments		52,463		17,291
#Fixed assets		1,276,113		1,100,567
Intangibles		155,792		162,234
Other assets		147,271		121,408
Total Assets	$	2,593,513	$	2,270,130

Liabilities
(000's)

		1990		1989
Short-term debt	$	167,021	$	188,549
Accts. payable & accruals		245,901		228,185
Income taxes		76,953		67,513
Salaries, wages & rel. items		83,926		83,514
Curr. Liabilities	$	573,801	$	567,761
Long-term debt		649,287		516,047
Deferred inc. taxes		136,870		114,825
+ESOP-preferred stock		53,470		—
++Common stock		42,674		42,674
Add. paid-in capital		148,422		145,842
Foreign curr. trans. adj.		43,574		(17,623)
Retained earnings		1,265,898		1,126,220
Unearned ESOP compensation		(50,889)		—
Treasury stock		(269,594)		(225,616)
Total Liabilities & Shareholders' Equity	$	2,593,513	$	2,270,130

* At lower of cost (LIFO) or market. Foreign inventories at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value; $3.835 convertible.
++ $1 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	13.62	—
% Net Income to Sales	9.06	—
% Net Income to Equity	14.77	19.93
Sales to Inventories	5.06	5.10
Debt to Equity	0.66	0.66
Working Capital	$ 388,073,000	$ 300,869,000
Current Ratio	1.68	1.53
Shareholders' Equity	$ 1,233,555,000	$ 1,071,497,000

Bel Fuse, Inc.

198 Van Vorst Street
Jersey City, New Jersey 07302
(201) 432-0463
FAX: (201) 432-9542

Officers: Elliot Bernstein, president & chief executive officer; Daniel Bernstein, vice president & treasurer; Peter Christoffer, v.p.-engineering; Don Morehouse, v.p.-production; Arnold Sutta, v.p.-marketing; Robert Simandl, secretary; Peter Loh, managing director of company's Hong Kong & Macau subsidiaries.

Directors: Elliot Bernstein, Howard Bernstein, Robert Simandl, Peter Loh, Joel Wiener, Daniel Bernstein, Peter Gilbert, David P. Olsan.

Areas of Work: Engaged in the design, manufacture and sale of electronic components and hybrid circuits. The company manufactures three different types of electronic components: delay lines, miniature and micro fuses, and inductive components.

Subsidiaries:

Bel Fuse Ltd.
Star House
3 Salisbury Road
Kowloon, Hong Kong

Acessorios Electronicos (Bel Fuse Macau) Limited
Fabrica G-1, Do Andar
Do Predio Cumos
Nos. 169-169A
Av. Almirante Lacerda, Macau

Bel Components Ltd.
Star House
3 Salisbury Road
Kowloon, Hong Kong

CAC Microcircuits, Inc.
2 Southgate Drive
Mount Carmel, Illinois 62863
(618) 263-4343
Manufactures custom thick film hybrid circuits.

Central Coil Company, Inc.
1940 Landersdale Road
Camby, Indiana 46113
(317) 831-4226
Manufactures military coils.

Carfield Ltd. (T/A Bel Fuse)
Ireland

Bel Fuse (S.A.R.L.)
France

Preferred Electronics Ireland Limited ('PEI')
Waterford, Ireland
Manufactures transformers.

Transfer Agent(s):

The Trust Company of New Jersey
Jersey City, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BELF (NASDAQ)

Number of Employees:

1990	788	1987	1,408
1989	1,112	1986	1,203
1988	1,457		

Plant Footage:

1990	198,200 sq. ft.	1987	157,000
1989	157,000	1986	141,100
1988	157,000		

Sales & Earnings

		Net Sales		Net Income
1990	$	36,588,204	$	712,185
1989		30,212,747		(1,844,023)
1988		37,643,391		3,136,990
1987		33,716,525		4,124,833
1986		23,320,546		2,633,085

	No. of Com. Shares #		Earn. per Share #
1990	4,838,195	$	0.15
1989	4,838,195		—
1988	4,829,483		0.65
1987	4,723,849		0.87
1986	4,790,364		0.55

(Loss)
Based on the weighted average number of shares outstanding.

Common Stock Equity

		Total Equity		Equity Per Share #
1990	$	28,541,906	$	5.90
1989		27,809,159		5.75
1988		29,653,182		6.14
1987		26,492,067		5.61
1986		20,933,450		4.37

Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31		1990		1989
Net sales	$	36,588,204	$	30,212,747
Cost of sales		26,203,338		23,171,099
Expenses		9,986,394		9,009,014
Reserve for plant closing		475,000		—
Other income		(216,583)		(190,646)
Interest expense		166,870		112,303
Loss before taxes	$	(26,815)	$	(1,889,023)

Bel Fuse, Inc.

Tax credit	(739,000)	(45,000)
Net Income (Loss)	$ 712,185	$ (1,844,023)

* Included in Costs and Expenses, Depreciation: $2,235,901 in 1990 and $2,005,363 in 1989.

Assets

As of Dec. 31	1990	1989
Cash	$ 3,219,670	$ 6,333,183
Accts. receiv., net	4,784,199	4,506,515
*Inventories	6,024,154	4,386,287
Prepaid expenses	168,387	380,493
Refund. inc. taxes	263,000	1,365,000
Deferred income taxes	45,900	33,400
Current Assets	$ 14,505,310	$ 17,004,878
#Fixed assets	15,756,853	13,935,487
Other assets	590,930	690,284
Exc. of cost over assets acq.	3,598,922	2,999,727
Total Assets	$ 34,452,015	$ 34,630,376

Liabilities

Notes payable	$ 500,000	$ 1,600,000
Long-term debt, curr.	98,911	110,375
Accts. payable	1,995,325	1,198,028
Accruals	2,132,226	1,904,598
Income taxes	167,558	116,105
Curr. Liabilities	$ 4,894,020	$ 4,929,106
Long-term debt	265,089	144,111
Deferred inc. taxes	751,000	1,748,000
+Common stock	483,820	483,820
Add. paid-in capital	5,918,584	5,918,584
Retained earnings	22,118,940	21,406,755
For. curr. trans. adjust.	20,562	—
Total Liabilities & Shareholder's Equity	$ 34,452,015	$ 34,630,376

* At lower of weighted average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Net Income to Sales	1.95	—
% Net Income to Equity	2.50	—
Sales to Inventories	6.07	6.89
Debt to Equity	0.03	0.07
Working Capital	$ 9,611,290	$ 12,075,772
Current Ratio	2.96	3.45
Shareholders' Equity	$ 28,541,906	$ 27,809,159

Bell Industries, Inc.

11812 San Vicente Boulevard, Suite 300
Los Angeles, California 90049-5069
(213) 826-6778
FAX: (213) 447-3265

Officers: Theodore Williams, president & chief executive officer; Howard B. Franklin, president-Electronics Distribution Group; Samuel Essick, sr. v.p.; Bruce M. Jaffe, exec. v.p. & chief operating officer; Paul F. Doucette, sr. v.p.; D. J. Hough, v.p.; Gordon Graham, sr. v.p.; John M. Brase, v.p.; John J. Cost, secretary; Dennis M. Benson, corp. controller & asst. treasurer; Nathan Landgarten, president-Industrial Products Group & treasurer.

Directors: T. E. Williams *, chairman; Howard B. Franklin *, Bruce M. Jaffe *, Nathan Landgarten *, John J. Cost, Ellis Ring, Milton Rosenberg.

* Member of the Executive Committee

Areas of Work: Company is a distributor of electronic components. In addition it distributes building and construction, graphic arts and motor vehicle related products, and manufactures computer and electronic components.

Divisions:

Electronics Distribution Group
1161 N. Fairoaks
Sunnyvale, California 94089
(408) 734-8570

Electronics Distribution Divisions
515 Busse Road
Unit D-1
Elk Grove Village, Illinois 60007
(312) 640-1910

1900 132nd N.E.
Bellevue, Washington 98005
(206) 747-1515

1705 West 4th Street
Tempe, Arkansas 85281
(602) 966-7800

8155 West 48th Avenue
Wheatridge, Colorado 80033
(303) 424-1985

3639 West 2150 South
Salt Lake City, Utah 84120
(801) 972-6969

306 East Alondra Boulevard
Gardena, California 90247
(213) 515-1800

11728 Linn N.E.
Albuquerque, New Mexico 87123
(505) 292-2700

12322 Monarch Street
Garden Grove, California 92641
(714) 895-7801

500 Giuseppe Court #7
Roseville, California 95678
(916) 969-3100

1829A De Havilland Drive
Thousand Oaks, California 91320
(805) 499-6821

2599 Garcia Avenue
Mountain View, California 94043
(415) 960-1440

W. 227 N. 913 West Mound Drive
Waukesha, Wisconsin 53186
(414) 547-8879

6024 Southwest Jean Road
Lake Oswego, Oregon 97034
(503) 241-4115

118 Westpark Road
Dayton, Ohio 45459
(513) 434-8231

444 Windsor Park Drive
Dayton, Ohio 45459
(513) 435-8660

133 South Pennsylvania Avenue
Indianapolis, Indiana 46204
(317) 634-8202

3433 East Washington Avenue
Fort Wayne, Indiana 46801
(219) 423-3422

Just-in-Time Divisions

Electronics Manufacturing Group

Illuminated Displays Division
18225 N.E. 76th Avenue
Redmond, Washington 98052
(206) 885-4353

Value-Added Divisions
Cable and Components Divisions
San Jose, California
Indianapolis, Indiana

Computer Memory Division
2360 Zanker Road
San Jose, California 95131
(408) 262-5747

Precsion Components Division
12605 South Van Ness Avenue
Hawthorne, California 90250
(213) 757-8381

Precision Metalcraft Division
2637 Marine Way
Mountain View, California 94040
(415) 961-5532

J.W. Miller Company
Compton, California

Electronics Systems Division
1831 South Ritchy Street
Santa Ana, California 92705

Grahphic Arts Group

Graphic Arts Supply Divisison
4425 Sheila Street
Commerce, California 90023
(213) 268-9500

Graphic Arts Supply Division
615 Dado Street
San Jose, California 95131
(408) 946-1500

RV/MH Group

RV/MH Supplies Division
500 Hardman Ave
South St. Paul, Minnesota 55075
(612) 450-9020

RV/MH Supplies Division
12775 W. Silver Spring Road
Butler, Wisconsin 53007
(414) 781-1860

Building Products Group

Plumbing Supply Division
7 College Avenue
Santa Rosa, California 95401
(707) 545-7101

HVAC Supply Division
Anaheim, California

Fab Steel Supply, Inc.
A southern California-based building products distributor.

Comp-Fast, Inc.
Distributes electronic components in the Northeast.

Transfer Agent(s):

Union Bank
140 Cedar Street
New York, New York 10006

Stock Exchange(s): New York, Pacific

Ticker Symbol: BI

Number of Employees:

1990	1,750	1987	2,300
1989	1,750	1986	1,900
1988	1,900		

Sales & Earnings

	Net Sales	Net Income
1990	$ 395,774,000	$ 8,202,000
1989	418,198,000	4,550,000
1988	431,632,000	12,765,000
1987	357,133,000	1,326,000
1986	300,176,000	3,031,000

	No of Com Shares #		Earn per Share #
1990	5,853,000	$	1.40
1989	6,089,000		0.75
1988	6,513,000		1.96
1987	6,559,000		0.51
1986	6,534,000		0.46

Based on the average number of shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business
(000's)

		1990		1989
Electronics	$	242,186	$	256,646
Building products		82,626		88,578
Graphic arts		45,909		47,777
Motor vehicle parts & acces		25,053		25,197
Total	$	395,774	$	418,198

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 4.370 *	—	—
1989	0.280	—	—
1988	0.280	—	—
1987	0.267	20%	—
1986	0.267	—	—

† Adjusted to reflect stock dividend.
* Including a special cash dividend of $4.00 per share.

Common Stock Equity

		Total Equity		Equity Per Share †
1990	$	94,838,000	$	16.35
1989		112,424,000		19.29
1988		116,460,000		18.40
1987		107,611,000		16.58
1986		104,967,000		16.31

† Adjusted to reflect stock dividend.

Income Account *
(000's)

Year ended June 30		1990		1989
Net sales	$	395,774	$	418,198
Cost of sales		297,360		321,855
Expenses		81,798		86,128
Interest expense		2,379		2,935
Income before taxes	$	14,237	$	7,280
Income taxes		6,035		2,730
Net Income	$	8,202	$	4,550

* Included in Costs and Expenses, Depreciation and Amortization: $5,682,000 in 1990 and $5,521,000 in 1989.

Assets
(000's)

As of June 30		1990		1989
Cash & cash equiv	$	3,310	$	7,038
Accts. receiv., net		51,540		53,615
*Inventories		85,329		84,479
Prepaid expenses		2,285		3,934
Current Assets	$	142,464	$	149,066
#Fixed assets		21,180		21,782
Other assets		12,303		10,373
Total Assets	$	175,947	$	181,221

Liabilities
(000's)

Accts. payable	$	22,239	$	23,044
Accrued payroll		6,668		7,840
Other accruals		4,460		4,223
Long-term liab., curr		4,141		5,705
Dividends payable		12,178		408
Income taxes		1,854		673
Curr. Liabilities	$	51,540	$	41,893
Notes payable		23,983		20,123
Deferred comp		3,762		5,157
Deferred inc. taxes		1,824		1,624
+Common stock		1,450		1,457
Add. paid-in capital		42,488		42,939
Retained earnings		50,900		68,028
Total Liabilities & Shareholders' Equity	$	175,947	$	181,221

* At lower of cost (FIFO) or market (net realizable value).
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales		3.60		1.74
% Net Income to Sales		2.07		1.09
% Net Income to Equity		8.65		4.05
Sales to Inventories		4.64		4.95
Debt to Equity		0.30		0.23
Working Capital	$	90,924,000	$	107,173,000
Current Ratio		2.76		3.56
Shareholders' Equity	$	94,838,000	$	112,424,000

Bi-Coastal Corporation

(formerly The Singer Company)

15438 North Florida Avenue
Tampa, Florida 33613-1223
(813) 264-7100

(Acquired by a subsidiary of Bilzerian Partners Limited Partnership 1, a private corporation, on April 25, 1988.)

Officers: Joe B. Freeman, chief executive officer & president; Brian F. Murphy, v.p.-tax & assistant treasurer; John P. Cooleen, asst. general counsel & asst. corp. secretary.

Directors: Paul A. Bilzerian, chairman; David A. Tallant, S. Leonard Hruzek, W. Mark Womble, Sidney L. Tassin.

Areas of Work: Defense Electronics and Training Systems products include a broad line of navigation systems for aircraft, spacecraft, and marine vessels; guidance systems for missiles; anti-submarine warfare systems; aircraft, spacecraft, marine and industrial simulators; large-screen display systems; electronic intelligence systems; telecommunications; terminals; and related systems and products.

Divisions and Subsidiaries:

Defense Electronics

Librascope Corporation
833 Sonora Avenue
Glendale, California 91201
(818) 244-6541

Products: Naval weapon control systems, underwater acoustic systems, computing and data processing systems for shipborne antisubmarine warfare applications; mobile command/control and communications systems for the army; fixed station command/control systems for air defense including real-time displays ranging from CRT to very large screen; computer peripheral equipment such as disc memories and encoders.

Training Systems

Singer Link-Miles Limited

Link-Miles International Simulation Corporation

Industrial Simulation Corporation

Number of Employees:

1990	1,805	1987	28,000
1989	N.A.	1986	28,000
1988	3,800		

N.A.-Not Available

Sales & Earnings

		Revenues + (000's)		Net Income ‡ (000's)
1990*	$	216,300	$	(7,700)
1989*		315,400		(12,200)
1988*		301,900		(38,200)
1987#		1,902,700		26,400
1986#		1,725,200		82,600

	No. of Com Shares		Earn per Share ‡ †
1990*	21,100,000	$	—
1989*	21,100,000		—
1988*	21,072,031		—
1987#	21,069,031		1.01
1986#	20,964,694		3.82

(Loss)
* Successor company.
# Predecessor company.
+ Of continuing operations only.
‡ Including extraordinary gains of $3,000,000 ($0.14 per share) in 1987 and $18,000,000 ($0.89 per share) in 1986.
† Based on the monthly average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

		1990		1989
Defense electronics	$	77,000	$	107,200
Training System		139,300		208,200
Total	$	216,300	$	315,400

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	0.40	—	—
1986	0.40	—	—

Common Stock Equity

		Total Equity ‡		Equity Per Share
1990*	$	(114,800,000)	$	—
1989*		(109,700,000)		—
1988*		(62,700,000)		—
1987#		489,600,000		23.24
1986#		463,400,000		22.20

(Deficiency)
* Successor company.
# Predecessor company.
‡ After allowing for preferred stock at total liquidation preference value.

Bi-Coastal Corporation

Income Account *
(000's)

Year ended Dec 31	1990	1989
Revenues	$ 216,300	$ 315,400
Cost of revenues	191,400	266,200
Expenses	33,100	39,500
Gain from divestitures	(47,400)	—
Interest expense	17,200	16,800
Recov of unreal loss on market secur	13,000	(6,300)
Gain on sale of market secur	—	(20,400)
Other expense	41,000	27,400
Other income	(8,500)	(8,000)
Inc (loss) bef taxes	$ (23,500)	$ 200
Tax credit	(18,200)	(19,900)
Inc (loss)-cont oper	$ (5,300)	$ 20,100
Loss-discont oper	(2,400)	(32,300)
Net Loss	$ (7,700)	$ (12,200)

* Included in Costs and Expenses, Depreciation and Amortization: $6,000,000 in 1990 and $7,400,000 in 1989

Assets
(000's)

As of Dec 31	1990	1989
Cash & cash equiv	$ 79,200	$ 48,900
Market securities	13,700	9,900
Accts recev , net	51,800	79,900
*Inventories	31,400	42,200
Net assets (liab)-disc oper	(8,500)	9,900
Prepaid expenses	1,000	1,300
Inc tax recev	24,900	15,600
Def inc taxes	11,600	14,900
Current Assets	$ 205,100	$ 222,600
#Fixed assets	25,100	60,100
Deferred inc taxes	5,000	8,800
Other assets	38,000	34,400
Total Assets	$ 273,200	$ 325,900

Liabilities
(000's)

	1990	1989
Long-term debt, curr	$ 84,900	$ 83,300
Accts payable	25,300	57,000
Income taxes	4,100	16,100
Accruals	103,400	91,200
Deferred revenue	5,000	—
Curr Liabilities	$ 222,700	$ 247,600
Long-term debt	—	27,900
Other liabilities	15,700	15,700
Deferred revenue	5,000	—
Redeem pref stock	1,500	1,300
+Preferred stock	35,800	35,800
++Common stock	200	200
Add paid-in capital	55,700	55,900
Retained earnings (deficit)	(64,300)	(56,600)
For curr trans adjust	900	(1,900)
Total Liabilities & Shareholders' Equity	$ 273,200	$ 325,900

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ No par value; $3.50 cumulative
++ $0.01 par value

Statistical Summary

	1990	1989
Debt to Equity	3.00	3.33
Shareholders' Equity	$ 28,300,000	$ 33,400,000

Bio-Rad Laboratories, Inc.

1000 Alfred Nobel Drive
Hercules, California 94547
(415) 724-7000
FAX: (415) 724-3167

Officers: David Schwartz, president & chief executive officer; Tony Brown, v.p. & chief operating officer; James Bennett, v.p. & group mgr.-clinical diagnostics; Thomas L. Braje, v.p. & chief financial officer; Burton A. Zabin, v.p. & group mgr.-research products; Peter V. Leigh, corp. controller; Warren R. Howell, v.p. & mgr.-Digilab div.; Guy Gerard, v.p.; Norman Schwartz, v.p.; James L. Viglienzone, treasurer; Sanford S. Wadler, general counsel.

Directors: James J. Bennett, Albert J. Hillman, Tony R. Brown, Philip L. Padou, Alice N. Schwartz, David Schwartz, Burton A. Zabin.

Areas of Work: Engaged in the development, manufacture and marketing of products used for the analysis of complex chemical mixtures into their individual components and to provide qualitative and quantitative information on each component. Products include specialty chemical and biological materials, separation and purification systems and accessories, diagnostic test kits, reagants and instruments, Fourier Transform Infra-Red Spectrometers, semiconductor measurement instruments, and confocal laser-scanning microscopes, and are used in a broad range of applications including research, manufacturing process and quality control and in the clinical and medical diagnosis of organic and metabolic disturbances in humans. The company also publishes spectral reference data used in research and industry.

Divisions and Subsidiaries:

Research Products Division
Richmond, California

Clinical Division
Hercules, California

Digilab Division
Cambridge, Massachusetts

Environmental Chemical Specialties Division
Anaheim, California

Sadtler Research Laboratories Division
Philadelphia, Pennsylvania

Ophthalmic Division
Cambridge, Massachusetts

Microscience Division
Watford, England

Bio-Rad Laboratories, Ges.m.b.H.
Vienna, Austria

Bio-Rad Laboratories S.A.-N.V.
Brussels, Belgium

Bio-Rad Laboratories (Canada) Ltd.
Mississauga, Canada

Bio-Rad Laboratories Ltd.
Watford, England

Bio-Rad Laboratories B.V.
Utrecht, The Netherlands

Bio-Rad Laboratories S.R.L.
Milan, Italy

Bio-Rad Laboratories AG
Zurich, Switzerland

Bio-Rad Laboratories GmbH
Munich, West Germany

Bio-Rad Laboratories Pty., Limited
Sydney, Australia

Nippon Bio-Rad Laboratories K.K.
Tokyo, Japan

Bio-Rad Pacific
Hong Kong

Bio-Rad S.A.
Paris, France

Emscope Laboratories Limited
England
Manufactures electron microscopy sample preparation equipment and supplies.

Oculab, Inc.
Glendale, California
Manufactures ophthalmic measuring devices.

Vickers Instruments, Inc.
(renamed Nanoquest, Inc.)
Woburn, Massachusetts

Vickers Instruments (Canada), Inc.
(renamed Nanoquest (Canada) Inc.
Ottawa, Canada

The two Vickers Instruments acquisitions develop, manufacture and market optical and electron beam measuring products principally to/for the semiconductor industry.

Transfer Agent(s):

Bank of Boston
150 Royall Street
Canton, Massachusetts 02021
Mailing address:
P.O. Box 644
Boston, MA 02102

Stock Exchange(s): American

Ticker Symbol: Class A common stock: BIO A; Class B common stock: BIO B

Number of Employees:

1990	2,000	1987	1,400
1989	2,100	1986	1,300
1988	1,700		

Sales & Earnings

	Net Sales	Net Income +
1990	$ 286,673,000	$ 10,712,000
1989	236,271,000	8,981,000
1988	198,898,000	9,160,000
1987	159,479,000	7,713,000
1986	126,579,000	5,462,000

	No. of Com Shares ‡	Earn. per Share +‡
1990	7,831,000	$ 1.37
1989	7,643,000	1.18
1988	7,578,000	1.21
1987	7,552,000	1.02
1986	7,262,000	0.75

+ Including extraordinary losses of $1,168,000 ($0.15 per share) in 1989, $304,000 ($0.04 per share) in 1988 and $322,000 ($0.04 per share) in 1986.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Revenues by Line of Business

	1990	1989
Research products	$ 103,179,000	$ 86,843,000
Diagnostic products	102,903,000	76,495,000
Analytical instrumentation	80,591,000	72,933,000
Total	$ 286,673,000	$ 236,271,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 81,059,000	$ 10.35
1989	68,856,000	9.01
1988	59,513,000	7.85
1987	50,138,000	6.64
1986	42,353,000	5.83

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend

Income Account *

Year ended Dec 31	1990	1989
Net sales	$ 286,673,000	$ 236,271,000
Cost of sales	123,675,000	103,236,000
Expenses	138,730,000	112,037,000
Interest expense	7,148,000	6,064,000
Invest inc	(406,000)	(504,000)
Other expense (income)	321,000	(425,000)
Income before taxes	$ 17,205,000	$ 15,863,000
Income taxes	6,493,000	5,714,000
Net Income	$ 10,712,000	$ 10,149,000
Extraord loss	—	(1,168,000)
Net Income & extraord loss	$ 10,712,000	$ 8,981,000

* Included in Costs and Expenses, Depreciation and Amortization $10,349,000 in 1990 and $7,907,000 in 1989

Assets

As of Dec 31	1990	1989
Cash & cash equiv	$ 2,010,000	$ 2,909,000
Accts receiv, net	70,500,000	59,217,000
*Inventories	63,165,000	53,233,000
Other curr assets	11,490,000	8,614,000
Current Assets	$ 147,165,000	$ 123,973,000
#Fixed assets	56,426,000	50,139,000
Market securities	4,394,000	5,873,000
Other assets	5,192,000	4,368,000
Total Assets	$ 213,177,000	$ 184,353,000

Liabilities

	1990	1989
Notes payable	$ 26,617,000	$ 23,657,000
Long-term debt, curr	1,613,000	1,799,000
Accts payable	18,647,000	16,571,000
Accrued inc taxes	3,906,000	570,000
Other curr liabilities	33,876,000	31,658,000
Curr Liabilities	$ 84,659,000	$ 74,255,000
Long-term debt	42,710,000	35,037,000
Deferred inc taxes	4,749,000	6,205,000
+ Common stock		
Class A	5,904,000	5,792,000
Class B	1,952,000	1,906,000
Add paid-in capital	15,742,000	14,434,000
Retained earnings	57,341,000	46,675,000
Treasury stock	(274,000)	—
For curr trans	2,637,000	845,000
Net unreal loss on market secur	(2,243,000)	(796,000)
Total Liabilities & Shareholders' Equity	$ 213,177,000	$ 184,353,000

* At lower of cost (average) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

	1990	1989
%Income bef Taxes to Sales	6.00	6.71
%Net Income to Sales	3.74	4.30
%Net Income to Equity	13.22	14.74
Sales to Inventories	4.54	4.44
Debt to Equity	0.88	0.88
Working Capital	$ 62,506,000	$ 49,718,000
Current Ratio	1.74	1.67
Shareholders' Equity	$ 81,059,000	$ 68,856,000

Birtcher Medical Systems, Inc.

50 Technology Drive
Irvine, California 92718
(714) 753-9400
FAX: (714) 753-9171

Officers: Ronald E. McAdams, chairman of the board; William E. Maya, president, chief executive officer & secretary; Daniel P. Whelan, v.p. & chief financial officer; Harold J. Walbrink, v.p. research & development; J. Michael Brown, v.p. sales & marketing; Robert H. Colgrove, v.p.-operations.

Directors: Ronald E. McAdams, chairman; William E. Maya; Ernest V. Jarvis, Sr.; David B. Jones; James R. Weersing.

Areas of Work: Designs, manufactures and distributes electronic medical instruments and electronic hardware.

Subsidiary:

Bard Electro Medical Systems, Inc.
Engaged in the design, manufacture and sale of electrosurgery equipment.

Transfer Agent(s):

Bank of America
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BIRT (NASDAQ)

Number of Employees:

1990	160	1987	55
1989	70	1986	N.A.
1988	48		

Plant Footage:

1990	80,000 sq. ft.	1987	51,000
1989	31,000	1986	56,500
1988	31,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income ‡
1990	$ 18,275,000	$ 31,000
1989	6,915,000	946,000
1988	6,003,000	701,000
1987	5,782,000	(1,939,000)
1986	6,862,000	(72,000)

	No. of Com Shares	Earn per Share ‡ #
1990	2,073,014	$ —
1989	2,073,014	0.20
1988	2,073,014	0.16
1987	2,073,014	—
1986	2,073,014	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $370,000 in 1986.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 1,360,000 ‡	$ 0.66
1989	1,729,000 ‡	0.83
1988	844,553 ‡	0.41
1987	694,281 ‡	0.33
1986	2,772,193	1.34

‡ After allowing for preferred stock at liquidation value.

Income Account *

Year ended Dec 31	1990	1989
Net sales	$ 18,275,000	$ 6,915,000
Cost of sales	10,168,000	2,944,000
Expenses		
Repair	295,000	192,000
Eng. and development	1,251,000	490,000
Sell., gen. & adm.	5,872,000	2,540,000
Interest expense (income)	604,000	(215,000)
Other expense (income)	29,000	(3,000)
Income bef. taxes	$ 56,000	$ 967,000
Income taxes	25,000	21,000
Net Income	$ 31,000	$ 946,000

* Included in Costs and Expenses, Depreciation and Amortization $617,000 in 1990 and $217,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equivs.	$ 181,000	$ 350,000
Marketable securities	—	1,031,000
Accts receiv, net	3,829,000	1,591,000
*Inventories	7,341,000	2,357,000
Prepaid expenses	361,000	97,000
Current Assets	$ 11,712,000	$ 5,426,000
#Fixed assets	1,649,000	735,000
Other assets	3,851,000	898,000
Total Assets	$ 17,212,000	$ 7,059,000

Liabilities

	1990	1989
Long-term debt, curr	$ 686,000	$ 54,000
Accts payable	1,972,000	551,000
Accrued payroll	835,000	263,000
Other curr liabilities	1,015,000	217,000
Revolv line of credit	300,000	—
Subord bank loan	3,200,000	—
Curr Liabilities	$ 8,008,000	$ 1,085,000
Long-term debt	3,552,000	147,000
+Preferred stock	4,292,000	4,098,000
++Common stock	2,073,000	2,073,000
Add paid-in capital	1,360,000	1,360,000
Retained earnings (deficit)	(1,379,000)	(1,154,000)
Notes receiv - shareholders	(694,000)	(550,000)
Total Liabilities & Shareholders' Equity	$ 17,212,000	$ 7,059,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value, 6% cumulative convertible.
++ No par value.

Statistical Summary

	1990	1989
%Income bef Taxes to Sales	0.31	13.98
% Net Income to Sales	0.17	13.68
% Net Income to Equity	0.55	16.23
Sales to Inventories	2.49	2.93
Debt to Equity	1.32	0.03
Working Capital	$ 3,704,000	$ 4,341,000
Current Ratio	1.46	5.00
Shareholders' Equity	$ 5,652,000	$ 5,827,000

Bishop Incorporated

(formerly Bishop Graphics, Inc.)

5210 Lewis Road
P.O. Box 6012
Agoura Hills, California 91376-6012
(818) 991-2600
FAX: (818) 889-3744

Bishop Incorporated

Officers: Richard M. Drysdale, chairman of the board; James R. Schwartz, president & chief executive officer; Gary R. Rubin, v.p. & chief financial officer.

Directors: Richard M. Drysdale, chairman; Kenneth J. Kay, Morton M. Kay, David J. Cohen, Ridge L. Harlan, Aaron L. Kotler.

Areas of Work: The Company is principally involved in the marketing and distribution of drafting and engineering equipment and supplies for the engineering, electronics, mechanical and architectural industries. The Company is also engaged in the manufacture and distribution of precision electronic component drafting symbols used in the creation of master artwork for printed circuit board design. In addition, the Company markets and distributes application specific engineering workstations and systems for electronic and mechanical design. The company also manufactures and distributes high quality, hot stamped foil labels for business decorative and product identification purposes.

Divisions and Subsidiaries:

Design Products Division
San Fernando, California
Manufactures precision pressure-sensitive adhesive-backed products.

Commercial Products Division
Canoga Park,Sunnyvale and Irvine, California
Operates three California-based drafting supply centers.

B.G. Labels Company
Manufactures, markets and distributes high quality, hot stamped, foil labels.

Bishop Graphics CAD Systems Corporation

Bishop Graphics, Inc.

Bishop DISC

InterCad, Inc.
Santa Clara, California
Markets and distributes on a value-added basis turnkey, application-specific electronic and mechanical CAD/CAM workstations and systems.

Precision Drafting, Inc.
Santa Clara, California
Sells general engineering and drafting supplies.

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BISH (NASDAQ)

Number of Employees:

1990	85	1987	120
1989	100	1986	150
1988	100		

Sales & Earnings

	Net Sales †	Net Income
1990	$ 10,447,000	$ (1,022,000)
1989	10,054,000	(355,000)
1988	9,829,000	(2,531,000)
1987	9,788,000	(538,000)
1986	11,776,000	(518,000)

	No. of Com. Shares +	Earn. per Share +
1990	2,370,000	$ —
1989	2,370,000	—
1988	2,370,000	—
1987	2,365,000	—
1986	2,339,000	—

(Loss)
† Of continuing operations only
+ Based on the weighted average number of shares outstanding

Revenues by Line of Business

	1990	1989	1988
Engineering & design prods. purch. for resale	34%	45%	51%
Adhesive-backed mfrd. prods.	12	16	20
Title block printing	8	10	10
Workstation systs. & periphs. for resale	46	29	19
Total	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 1,456,000	$ 0.61
1989	2,478,000	1.05
1988	2,830,000	1.19
1987	5,350,000	2.26
1986	5,833,000	2.49

+ Based on the weighted average number of shares outstanding.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 10,447,000	$ 10,054,000
Lease financing	73,000	163,000
Total revenues	$ 10,520,000	$ 10,217,000
Cost of sales	6,672,000	5,868,000
Expenses	4,898,000	4,730,000
Repositioning costs	—	144,000
Interest income	(35,000)	(47,000)
Interest expense	31,000	—
Gain on sale of lease recelv.	(26,000)	(78,000)
Other expense (income)	2,000	(45,000)
Net Loss	$ (1,022,000)	$ (355,000)

* Included in Costs and Expenses, Depreciation and Amortization: $247,000 in 1990 and $181,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 285,000	$ 496,000
Acct. recelv., net	2,035,000	1,201,000
Lease recelv., curr.	9,000	153,000
* Inventories	1,488,000	1,524,000
Refund inc. taxes	—	21,000
Prepaid expenses	128,000	113,000
Current Assets	$ 3,945,000	$ 3,508,000
# Fixed assets	206,000	415,000
Other assets	57,000	163,000
Total Assets	$ 4,208,000	$ 4,086,000

Liabilities

	1990	1989
Line of credit	$ 450,000	$ —
Accts. payable	1,705,000	1,069,000
Accrued payroll & rel. exp.	200,000	196,000
Other accrued expenses	369,000	276,000
Curr. Liabilities	$ 2,724,000	$ 1,541,000
Security deposits	28,000	67,000
+ Common stock	237,000	237,000
Add. paid-in capital	3,935,000	3,935,000
Retained earnings (deficit)	(2,716,000)	(1,694,000)
Total Liabilities & Shareholders' Equity	$ 4,208,000	$ 4,086,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.10 par value

Statistical Summary

Sales to Inventories	7.02	6.60
Working Capital	$ 1,221,000	$ 1,967,000
Current Ratio	1.45	2.28
Shareholders' Equity	$ 1,456,000	$ 2,478,000

BMC Industries, Inc.

(formerly Buckbee-Mears Company)

Two Appletree Square
Minneapolis, Minnesota 55425
(612) 851-6000
FAX: (612) 851-6050

Officers: Robert J. Carlson, chairman, president & chief exec. officer; Gerald M. Bestler, chief operating officer & exec. v.p.; Merle D. Kerr, v.p.-finance, treasurer & chief financial officer; Kenneth W. Lewis, v.p.-human resources & administration; Michael P. Hawks, corp. controller; Peter H. Trembath, secretary & general counsel.

Directors: Robert J. Carlson, chairman; Lyle D. Altman, Joe E. Davis, H.D. Elverum, Norman C. Mears, Burton N. Noah, S. Walter Richey.

Areas of Work: Manufactures and markets precision etched metal components, specialty printed circuits, electroformed parts, etched and filled glass products, and aperture masks -- etched fine screen grids that are a component part of every color cathode ray tube; also manufactures and markets ophthalmic lenses.

Divisions and Subsidiaries:

PRECISION ETCHED PRODUCTS

Buckbee-Mears St. Paul
245 East Sixth Street
St. Paul, Minnesota 55101
(612) 228-6400

Buckbee-Mears Cortland
P.O. Box 189
Kellogg Road
Cortland, New York 13045
(607) 753-9615

Buckbee-Mears Europe GmbH
7840 Muellheim-Baden
Postfach 1162, Renkenrunsstrasse, West Germany

OPTICAL PRODUCTS

Vision-Ease Lens
1800 Eller Drive
Ft. Lauderdale, Florida 33316

Transfer Agent(s):

Norwest Capital Resources
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): New York

Ticker Symbol: BMC

Number of Employees:

1990	N.A.	1987	1,976
1989	2,109	1986	2,061
1988	2,163		

Plant Footage:

1990	N.A.	1987	498,000
1989	596,000 sq. ft.	1986	498,000
1988	564,000		

N.A. - Not Available

Sales & Earnings

	Revenues +	Net Income
1990	$ 174,998,000	$ 1,846,000
1989	164,858,000	5,439,000
1988	160,346,000	4,888,000
1987	146,853,000	4,509,000
1986	123,391,000	(5,204,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1990	5,509,000	$ 0.34
1989	5,653,000	0.96
1988	5,325,000	0.92
1987	5,302,000	0.85
1986	5,206,000	—

(Loss)
+ Of continuing operations only
‡ Based on the average number of shares outstanding

Revenues by Line of Business
(000's)

	1990	1989
Precision etched prods.	$ 101,981	$ 90,643
Optical prods.	73,017	74,215
Total	$ 174,998	$ 164,858

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 22,441,000	$ 4.19
1989	17,910,000	3.37
1988	13,564,000	2.57
1987	8,998,000	1.71
1986	675,000	0.13

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 174,998	$ 164,858
Cost of sales	151,410	138,104
Expenses	11,958	13,223
Interest expense	7,762	7,471
Other income	(25)	(560)
Income before taxes	$ 3,893	$ 6,620
Income taxes	2,047	1,181
Net Income	$ 1,846	$ 5,439

* Included in Costs and Expenses, Depreciation: $6,901,000 in 1990 and $5,597,000 in 1989.

Assets
(000's)

As of Dec. 31	1991	1989
Cash & cash equiv.	$ 1,938	$ 10,935
Accts. receiv., net	22,574	19,833
*Inventories	42,147	29,182
Other curr. assets	7,688	7,763
Current Assets	$ 74,347	$ 67,713
#Fixed assets	48,783	42,883
Other assets	5,117	5,066
Total Assets	$ 128,247	$ 115,662

Liabilities
(000's)

As of Dec. 31	1990	1989
Short-term borr.	$ 10,031	$ 2,979
Long-term debt, curr.	5,697	4,968
Accts. payable	10,841	8,896
Deposits receiv. from cust.	3,301	393
Accrued fringe benefits	2,992	4,378
Accrued payroll	2,898	1,869
Accrued interest	1,266	1,269
Other accruals	2,011	2,932
Curr. Liabilities	$ 38,637	$ 28,684
Long-term debt	56,408	61,677
Other liabilities	8,980	6,052
Deferred inc. taxes	1,781	1,339
+Common stock	41,385	41,142
Retained earnings (deficit)	(23,450)	(25,296)
Cum. trans. adjust.	4,506	2,064
Total Liabilities & Shareholders' Equity	$ 128,247	$ 115,662

* At lower of average cost or market
# Less accumulated depreciation
+ No par value

Statistical Summary

% Income bef. Taxes to Sales	2.22	4.01
% Net Income to Sales	10.5	3.31
% Net Income to Equity	8.23	30.37
Sales to Inventories	4.15	5.63
Debt to Equity	3.21	3.89
Working Capital	$ 35,710,000	$ 38,029,000
Current Ratio	1.92	2.36
Shareholders' Equity	$ 22,441,000	$ 17,910,000

The Boeing Company

P.O. Box 3707
7755 East Marginal Way South
Seattle, Washington 98108
(206) 655-2121
FAX: (206) 655-1177

Officers: Frank Shrontz, chairman of the board & chief executive officer; D. P. Beighle, sr. v.p. & secretary; D. D. Thornton, exec. v.p. & president-Boeing Commercial Airplane Co.; J. F. Hayden, v.p.-Washington, D.C. office; T. J. Collins, v.p. & general counsel; D. J. Crispin, v.p.-employee benefits, insurance & taxes; D. D. Cruze, sr. v.p.-operations; B. E. Givan, sr. v.p. & chief financial officer; J. B. Sheridan, exec. v.p.-Aerospace & Electronics; B. D. Pinick, exec. v.p.-president -Boeing Defense & Space Group; A. H. Lowell, v.p. & controller; A. D. Welliver, sr. v.p.-engineering & technology; F. G. Coffey, v.p.-government affairs; D. A. Jaeger, v.p. & treasurer; L. G. McKean, v.p.-human resources; L. W. Clarkson, sr. v.p.-Government & international affairs; R. L. Dryden, exec. v.p.-Boeing Commercial Airlines Group; B. A. Cosgrove, sr. v.p.-Boeing Commercial Airplane Group; B. Gissing, exec. v.p.-operations; A. E. Hitsman, pres.-Boeing Computer Services; W. E. Alder, v.p. & general mgr.-Boeing Support Services; E. J. Renouard, exec. v.p.-Boeing Defense & Space Group; R. R. Albrecht, exec. v.p.-Boeing Commercial Airplane Company; P. M. Condit, exec. v.p.-Boeing Commercial Airplane Company; C. G. King, exec. v.p.-Military Airplanes.

Directors: Frank Shrontz, chairman; Robert A. Beck, John B. Fery, Harold J. Haynes, Paul E. Gray, Stanley Hiller, Jr., George M. Keller, Donald E. Petersen, Lee L. Morgan, Charles M. Pigott, George P. Shultz, George H. Weyerhaeuser, T. A. Wilson.

Areas of Work: The Company is involved in three industries: Commercial Transportation Products & Services, Military Transportation Products & Related Systems and Missiles & Space. Operations in the commercial transportation segment involve development, production & marketing of commercial aircraft. Operations in Military Transportation Products and Related Systems involve research, development, production and modification of such products primarily for the U.S. government and foreign governments. Missiles & Space operations primarily involve research, development & production of various strategic and tactical missiles and space exploration products.

Divisions and Subsidiaries:

Boeing Aerospace Company
Kent, Washington

Boeing Commercial Airplane Company
Renton, Washington

Boeing Advanced Systems Company
Seattle, Washington

Boeing Military Airplane Company
Wichita, Kansas; Seattle, Washington

Boeing Helicopter Company
Philadelphia, Pennsylvania

Boeing Computer Services Company
Bellevue, Washington

Boeing Electronics Company
Seattle, Washington

de Havilland Aircraft of Canada, Ltd.
Toronto, Ontario, Canada
Manufactures commuter aircraft

ARGOSystems, Inc.
310 North Mary Avenue
Sunnyvale, California 94086
(408) 737-2000
Designs advanced electronic systems that listen to and make sense of hostile radar and radio signals for the defense and intelligence forces of the U.S. and its allies.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York, London, Switzerland, Amsterdam, Boston*, Cincinnati*, Midwest*, Philadelphia*, Brussels*. *Unlisted trading privileges.

Ticker Symbol: BA

Number of Employees:

1990	161,700	1987	143,700
1989	164,500	1986	115,000
1988	154,200		

Plant Footage:*

1990	N.A.	1987	56.9
1989	N.A.	1986	51.7
1988	59.0		

* Company-owned, leased and govt.-owned floor area; in million square feet.
N.A.-Not Available

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 27,595,000	$ 1,385,000
1989	20,276,000	973,000
1988	16,962,000	614,000
1987	15,505,000	480,000
1986	16,444,000	665,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	345,204,551	$ 4.01
1989	345,346,827	2.82
1988	343,774,427	1.79
1987	348,297,750	1.38
1986	349,095,679	1.90

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1990	1989
Commercial transportation prods & rel services	$ 21,230,000	$ 14,305,000
Military transportation prods & rel systems	4,123,000	3,962,000
Missiles & space	1,739,000	1,467,000
Other industries	503,000	542,000
Total	$ 27,595,000	$ 20,276,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.95	—	3-for-2
1989	0.77 7/9	—	3-for-2
1988	0.68 8/9	—	—
1987	0.62 2/9	—	—
1986	0.53 1/3	—	—

† Adjusted to reflect st k splits

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1990	$ 6,973,000	$ 20.30
1989	6,131,000	17.73
1988	5,404,000	15.67
1987	4,987,000	14.55
1986	4,826,000	13.83

† Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec 31	1990	1989
Net sales	$ 27,595,000	$ 20,276,000
Cost of sales & exp	26,065,000	19,695,000
Other income	(448,000)	(347,000)
Interest & debt exp	6,000	6,000
Income before taxes	$ 1,972,000	$ 922,000
Income taxes	587,000	247,000
Cum effect of acct change	—	(298,000)
Net Income	$ 1,385,000	$ 973,000

* Included in Costs and Expenses, Depreciation and Amortization: $678,000,000 in 1990 and $627,000,000 in 1989

Assets
(000's)

As of Dec 31	1990	1989
Cash & cert of deposit	$ 2,545,000	$ 1,208,000
Short-term investments	781,000	655,000
Accts receiv , net	2,044,000	1,809,000
Long-term customer financing, curr	13,000	46,000
Deferred inc taxes	55,000	—
*Inventories	1,332,000	4,942,000
Current Assets	$ 8,770,000	$ 8,660,000
Long-term customer financing	1,120,000	822,000
# Fixed assets	4,448,000	3,481,000
Investments & other assets	253,000	315,000
Total Assets	$ 14,591,000	$ 13,278,000

Liabilities
(000's)

Long-term debt, curr	$ 4,000	$ 5,000
Accts payable & accruals	5,566,000	4,932,000
Advs & prog billings in exc of costs	1,083,000	1,445,000
Income taxes	479,000	291,000
Curr Liabilities	$ 7,132,000	$ 6,673,000
Long-term debt	311,000	275,000
Deferred inc taxes	161,000	174,000
Deferred invest credit	14,000	25,000
+Common stock	2,327,000	1,736,000
Retained earnings	4,840,000	4,452,000
Treasury stock	(194,000)	(57,000)
Total Liabilities & Shareholders' Equity	$ 14,591,000	$ 13,278,000

* At average cost not in excess of realizable value
# Less accumulated depreciation
+ $5 par value

Statistical Summary

% Income bef Taxes to Sales	7.15	4.55
% Net Income to Sales	5.02	4.80
% Net Income to Equity	19.86	15.87
Sales to Inventories	8.28	4.10
Debt to Equity	0.05	0.05
Working Capital	$ 1,638,000,000	$ 1,987,000,000
Current Ratio	1.23	1.30
Shareholders' Equity	$ 6,973,000,000	$ 6,131,000,000

Bolt Beranek and Newman Inc.

70 Fawcett Street
Cambridge, Massachusetts 02138
(617) 873-2000
FAX: (617) 491-1496

Officers: Stephen R. Levy, chairman & chief executive officer; Michael P. LaVigna, president & chief operating officer; Michael Nacey, v.p.-administration; Ralph Goldwasser, v.p. & controller; John Montjoy, v.p. & general counsel; Daniel Sullivan, v.p.; David C. Walden, sr. v.p.

Directors: Stephen R. Levy, chairman; Roger D. Wellington, Andrew L. Nichols, Michael P. LaVigna, Howard Swearer, John M. Albertine, Samuel Labate, George Hatsopoulos.

Areas of Work: Through its divisions and wholly owned subsidiaries the company designs, manufactures, sells and supports computer products and systems including integrated wide-area communications networks, packaged data analysis software, and high-performance computers, and offers consulting, research, development, and systems-building services in computer and information sciences, and physical sciences.

Divisions and Subsidiaries:

BBN Systems and Technologies Division
10 Moulton Street
Cambridge, Massachusetts 02138
(617) 873-3000

BBN Communications Division
150 Cambridge Park Drive
Cambridge, Massachusetts 02140
(617) 873-4000

BBN Software Products Division
150 Cambridge Park Drive
Cambridge, Massachusetts 02140
(617) 873-5000

BBN Advanced Computers Inc.
10 Fawcett Street
Cambridge, Massachusetts 02138
(617) 873-6000

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: BBN

Number of Employees:

1990	2,367	1987	2,641
1989	2,820	1986	2,113
1988	3,140		

Plant Footage:

1990	1,207,000 sq. ft.	1988	1,006,800
1989	1,006,800		

Sales & Earnings

	Revenues	Net Income
1990	$ 261,927,000	$ (34,804,000)
1989	291,570,000	(25,125,000)
1988	305,191,000	18,147,000
1987	233,841,000	(8,029,000)
1986	178,049,000	11,132,000

	No. of Com Shares +	Earn per Share +
1990	18,246,231	$ —
1989	18,368,019	—
1988	18,883,391	0.96
1987	17,438,436	—
1986	17,392,244	0.65

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Revenues By Line of Business

	1990	1989
Computer & communications syst	$ 205,302,000	$ 235,172,000
Research, develop & consulting	56,625,000	56,398,000
Total	$ 261,927,000	$ 291,570,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.060	—	—
1989	0.060	—	—
1988	0.060	—	—
1987	0.055	—	2-for-1
1986	0.050	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 43,164,000	$ 2.37
1989	77,590,000	4.22
1988	111,554,000	5.91
1987	85,581,000	4.91
1986	78,849,000	4.53

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Income Account *

Year ended June 30	1990	1989
Revenues	$ 261,927,000	$ 291,570,000
Cost of revenues	168,246,000	222,629,000
Res & develop exp	31,586,000	24,635,000
Sell, gen & adm exp	80,052,000	85,636,000
Restruc charge	20,400,000	5,136,000
Interest expense	5,703,000	5,763,000
Interest income	(4,284,000)	(5,335,000)
Other expense (income)	(2,148,000)	864,000
Loss bef taxes	$ (37,628,000)	$ (47,758,000)
Tax credit	(2,824,000)	(16,238,000)
Cum effect of acct change	—	(6,395)
Net Loss	$ (34,804,000)	$ (25,125,000)

* Included in Costs and Expenses, Depreciation and Amortization $21,985,000 in 1990 and $24,808,000 in 1989

Assets

As of June 30	1990	1989
Cash & temp invest	$ 61,828,000	$ 56,541,000
Accts receiv, net	54,866,000	65,354,000
Refund inc taxes	2,902,000	7,749,000
*Inventories	9,973,000	18,662,000
Deferred inc taxes	—	3,666,000
Other curr assets	7,306,000	7,769,000
Current Assets	$ 136,875,000	$ 159,741,000
#Fixed assets	40,601,000	60,339,000
Purch & cap software tech	6,204,000	8,597,000
Other assets	2,491,000	2,629,000
Total Assets	$ 186,171,000	$ 231,306,000

Liabilities

	1990	1989
Accts payable	$ 3,096,000	$ 10,400,000
Obligs under equip loan & cap leases	1,811,000	1,598,000
Accrued salaries	6,959,000	6,722,000
Accrued restruc charge	9,361,000	5,136,000
Accrued contract costs	1,500,000	19,326,000
Other accruals	16,571,000	13,475,000
Deferred revenue	16,661,000	8,923,000
Curr Liabilities	$ 55,959,000	$ 65,580,000
Convert subord deben	84,700,000	84,700,000
Obligs under equip loan & cap leases	1,829,000	1,246,000
Deferred inc taxes	519,000	2,190,000
+Common stock	19,738,000	19,331,000
Add paid-in capital	49,086,000	47,349,000
Retained earnings (deficit)	(11,432,000)	25,253,000
Treasury stock	(14,228,000)	(14,343,000)
Total Liabilities & Shareholders' Equity	$ 186,171,000	$ 231,306,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

	1990	1989
Debt to Equity	2.05	1.11
Working Capital	$ 80,916,000	$ 94,161,000
Current Ratio	2.45	2.44
Shareholders' Equity	$ 43,164,000	$ 77,590,000

Boonton Electronics Corporation

791 Route 10
Randolph, New Jersey 07869
(201) 584-1077
FAX: (201) 584-3037

Officers: Joseph G. Gillespie, president; G. Raymond Polen, v.p.-engineering; John E. Titterton, secretary, treasurer & v.p.-finance.

Directors: Jack Frucht, Ronald T. DeBlis, Joseph G. Gillespie, John M. Young, Otto H. York, Saul K. Fenster.

Areas of Work: Designs and manufactures electronic measuring instruments for use in the laboratory and on production lines of manufacturers of electronic components and equipment. These instruments include RF voltmeters, microwave power meters, signal generators, modulation meters, admittance bridges, and capacitance and inductance meters and bridges.

Subsidiary:

Boonton Domestic International Sales Corporation (DISC)
Randolph, New Jersey

Transfer Agent(s):

First Fidelity Bank, N.A., New Jersey
765 Broad Street
Newark, New Jersey 07101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOON (NASDAQ)

Plant Footage

1990	44,400 sq. ft.	1987	44,400
1989	44,400	1986	44,400
1988	44,400		

Sales & Earnings

	Net Sales ‡	Net Income
1990	$ 12,711,682	$ 327,305
1989	11,378,867	55,126
1988	13,530,002	831,665
1987	12,609,802	618,893
1986	9,910,254	281,750

	No. of Com Shares +	Earn per Share +
1990	1,296,785	$ 0.25
1989	1,353,127	0.04
1988	1,436,993	0.58
1987	1,480,297	0.42
1986	1,479,485	0.19

‡ Includes other income
+ Based on the average number of shares outstanding

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 8,162,532	$ 6.29
1989	7,835,227	5.79
1988	8,510,485	5.92
1987	7,912,752	5.35
1986	7,279,509	4.92

Based on the average number of shares outstanding

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 12,711,682	$ 11,378,867
Cost of sales	6,581,258	5,620,882
Expenses	5,092,035	5,284,339
Oper profit	$ 1,038,389	$ 473,646
Interest expense	488,729	325,663
Other expense	169,247	92,857
Income before taxes	$ 380,413	$ 55,126
Income taxes	53,108	—
Net Income	$ 327,305	$ 55,126

* Included in Costs and Expenses, Depreciation $483,505 in 1990 and $491,250 in 1989

Assets

As of Sept. 30	1990	1989
Cash	$ 340,975	$ 112,519
Accts receiv, net	2,847,953	2,559,498
*Inventories	7,398,775	7,783,573
Other curr assets	517,713	341,826
Current Assets	$ 11,105,416	$ 10,797,436
#Fixed assets	2,627,209	2,845,702
Other assets	485,195	471,691
Total Assets	$ 14,217,820	$ 14,114,829

Liabilities

	1990	1989
Bank loans	$ 1,842,000	$ 3,727,000
Long-term debt, curr	485,720	200,000
Accts payable	786,947	942,480
Accruals	559,154	490,496
Current Liabilities	$ 3,673,821	$ 5,359,976
Long-term debt	2,217,595	703,315
Deferred inc taxes	163,872	216,311
+Common stock	149,209	149,209
Add paid-in capital	4,359,556	4,359,556
Retained earnings	4,656,496	4,329,191
Treasury stock	(1,002,729)	(1,002,729)
Total Liabilities & Shareholders' Equity	$ 14,217,820	$ 14,114,829

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.10 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	2.99	0.48
% Net Income to Sales	2.57	0.48
% Net Income to Equity	4.01	0.70
Sales to Inventories	1.72	1.46
Debt to Equity	0.56	0.59
Working Capital	$ 7,431,595	$ 5,437,460
Current Ratio	3.02	2.01
Shareholders' Equity	$ 8,162,532	$ 7,835,227

Boston Digital Corporation

Granite Park
Milford, Massachusetts 01757
(508) 473-4561
FAX: (508) 478-7224

Officers: Ara Aykanian, president; Thomas D. Linn, executive v.p. & treasurer; Joseph F. Banafato, v.p., chief operating & financial officer, & assistant treas.; Colin J. Stearman, v.p.-systems engineering; John A. Wake, v.p.-operations; Dennis A. Winski, v.p.-engineering; Gail F. Sullivan, clerk.

Directors: Ara Aykanian, Thomas D. Linn, David J. Logan, Vijay Tipnis.

Areas of Work: Develops, manufactures and markets computer numerically controlled precision machining systems and software.

Subsidiaries:

BostoMatic GmbH
West Germany

BostoMatic U.K., Ltd.
England

Boston Digital Corporation

BostoMatic Foreign Sales Corporation (FSC)
U.S. Virgin Islands

Boston Digital Investment Corporation

Transfer Agent(s):

Registrar and Transfer Company
Cranford, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOST (NASDAQ)

Number of Employees:

1990	189	1987	152
1989	190	1986	136
1988	160		

Plant Footage:

1990	80,000 sq. ft.	1987	80,000
1989	80,000	1986	80,000
1988	80,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 19,987,000	$ 168,000
1989	17,713,000	(111,000)
1988	16,446,000	64,000
1987	12,482,000	(483,000)
1986	13,558,000	(614,000)

	No. of Com Shares #	Earn per Share #
1990	2,642,312	$ 0.06
1989	2,631,270	—
1988	2,673,839	0.02
1987	2,631,270	—
1986	2,631,270	—

(Loss)
Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 12,506,000	$ 4.73
1989	12,338,000	4.69
1988	12,449,000	4.66
1987	12,385,000	4.71
1986	12,868,000	4.89

Based on the weighted average number of shares outstanding.

Income Account *

Year ended April 30	1990	1989
Net sales	$ 19,986,718	$ 17,712,979
Cost of sales	14,612,370	13,136,556
Expenses	5,348,959	4,878,758
Oper. income (loss)	$ 25,389	$ (302,335)
Eq. in loss of affil. co.	—	4,097
Interest expense	95,013	195,720
Interest income	(290,266)	(380,526)
Inc. (loss) bef. taxes	$ 220,642	$ (121,626)
Income taxes (credit)	52,335	(11,000)
Net Income (Loss)	$ 168,307	$ (110,626)

* Included in Costs and Expenses, Depreciation and Amortization: $353,183 in 1990 and $406,824 in 1989.

Assets

As of April 30	1990	1989
Cash & cash equiv.	$ 2,546,466	$ 1,991,011
Market. securities	—	379,500
Income taxes refundable	—	80,600
Accts. receiv., net	2,387,057	3,040,783
*Inventories	5,448,156	6,102,967
Prepaid expenses	30,921	61,050
Deferred inc. taxes	335,300	266,900
Current Assets	$ 10,747,900	$ 11,922,811
#Fixed assets	3,867,985	3,442,104
Other assets	288,920	297,531
Total Assets	$ 14,904,805	$ 15,662,446

Liabilities

	1990	1989
Long-term debt, curr.	$ 210,000	$ 172,500
Accts. payable	384,952	1,105,076
Accrued payroll	344,295	305,213
Customer deposits	18,950	245,814
Other accruals	444,246	274,386
Income taxes pay.	12,598	—
Accrued warranty exp.	140,000	240,000
Curr. Liabilities	$ 1,555,041	$ 2,342,989
Long-term debt	437,500	647,500
Deferred inc. taxes	405,900	331,900
+Common stock	263,127	263,127
Add. paid-in capital	4,368,079	4,368,079
Retained earnings	7,875,158	7,706,851
Total Liabilities & Shareholders' Equity	$ 14,904,805	$ 15,662,446

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	1.10	—
% Net Income to Sales	0.84	—
% Net Income to Equity	1.35	—
Sales to Inventories	3.67	2.91
Debt to Equity	0.05	0.07
Working Capital	$ 9,912,859	$ 9,579,822
Current Ratio	6.91	5.09
Shareholders' Equity	$ 12,506,364	$ 12,338,057

Bowmar Instrument Corporation

5080 North 40th Street
Suite 175
Phoenix, Arizona 85018
(602) 957-0271
FAX: (602) 381-1314

Officers: Edward A. White, chairman & chief exec. officer; Thomas K. Lanin, chief financial officer, v.p.-finance, secretary & treasurer.

Directors: Edward A. White*, chairman; James C. Marlas*; Thomas K. Lanin; Fred N. Gerard*; Dan L. McGurk; Gardiner S. Dutton; James W. Myers.

* Member of the Executive Committee.

Areas of Work: Manufactures data communications products, including multifunction generators and data acquisition equipment. Also manufactures electronic communications test equipment, electromechanical digital displays, keyboards and thermal printers for use in industrial instrumentation applications, and electromechanical components and packages, including rotating devices (gearheads, motors and motor generators), synchros, mechanical counters, resolvers, dial drives, mechanical packages, ordnance devices and built-to-print military subcontracts.

Divisions & Subsidiaries:

Bowmar Aerospace Division

White Technology, Inc.
4246 East Wood Street
Phoenix, Arizona 85040
(602) 437-1520
Manufactures custom and proprietary hybrid integrated circuits.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: BOM

Number of Employees:

1990	322	1987	624
1989	648	1986	1,170
1988	584		

Plant Footage:

1990	188,600 sq. ft.	1987	219,000
1989	218,900	1986	279,000
1988	191,000		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 23,591,000	$ (4,674,000)
1989	21,928,000	(2,981,000)
1988	19,682,000	(1,278,000)
1987	N.A.	(2,817,000)
1986	N.A.	982,000

	No. of Com Shares #	Earn per Shares #
1990	6,097,956	$ —
1989	6,065,672	—
1988	6,049,683	—
1987	6,045,763	—
1986	6,052,339	0.16

(Loss)
N.A. - Not Available
+ Of continuing operations only
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990 (000's)	%	1989 (000's)	%
Electronics	$ 14,902	63	$ 14,011	64%
Electromechanical	8,689	37	7,917	36
Total	$ 23,591	100%	$ 21,928	100%

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ (3,011,000)	$ —
1989	1,626,000	0.27
1988	4,621,000	0.76
1987	5,783,000	0.96
1986	10,130,000	1.67

(Deficiency)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Sept. 30		1990		1989
Net sales	$	23,591	$	21,928
Cost of sales		21,039		16,784
Expenses		4,610		5,028
Prod. develop.		203		84
Interest expense		1,906		1,714
Other expense		363		366
Loss before taxes	$	(4,530)	$	(2,048)
Income taxes (credit)		(11)		76
Loss-cont. oper.	$	(4,519)	$	(2,124)
Loss-discont. oper.		(155)		(857)
Net Loss	$	(4,674)	$	(2,981)

* Included in Costs and Expenses, Depreciation and Amortization: $658,000 in 1990 and $782,000 in 1989.

Assets
(000's)

As of Sept. 30		1990		1989
Cash	$	60	$	100
Accts. receiv., net		3,232		3,920
*Inventories		4,291		5,569
Prepaid expenses		193		73
Current Assets	$	7,776	$	9,662
#Fixed assets		1,511		1,909
Other assets		925		992
Net assets-discont. oper.		1,531		6,682
Total Assets	$	11,743	$	19,245

Liabilities
(000's)

		1990		1989
Notes payable	$	685	$	5,654
Long-term debt, curr.		1,079		451
Accts. payable		2,361		2,145
Accruals		1,761		2,037
Curr. Liabilities	$	5,886	$	10,287
Long-term debt		8,868		7,332
+Common stock		610		610
Add. paid-in capital		2,851		2,843
Retained earnings (deficit)		(6,472)		(1,798)
For. curr. trans. adjust.				(29)
Total Liabilities & Shareholders' Equity	$	11,743	$	19,245

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 stated value.

Statistical Summary

Sales to Inventories		5.50		3.94
Debt to Equity				8.26
Working Capital	$	1,890,000		—
Current Ratio		1.32		—
Shareholders' Equity (Deficiency)	$	(3,011,000)	$	1,626,000

Brunswick Corporation

One Brunswick Plaza
Skokie, Illinois 60077
(708) 470-4700
FAX: (708) 470-4765

Officers: Jack F. Reichert, chairman, president & chief exec. officer; William R. McManaman, v.p.-finance; John M. Charvat, exec. v.p.; Frederick J. Florjancic, Jr., v.p.; Thomas W. Erwin, controller; Robert T. McNaney, general counsel; Dianne M. Yaconetti, v.p.-administration & corp. secretary; Richard S. O'Brien, treasurer; Michael D. Schmitz, asst. secretary; Judith P. Zelisko, asst. v.p.; Roy T. Montgomery, asst. general counsel.

Directors: Jack F. Reichert, chairman; Michael J. Callahan, Leo Herzel, John P. Diesel, George D. Kennedy, Bernd K. Koken, Jay W. Lorsch, Donald E. Guinn, Robert N. Rasmus, Pierre A. Rinfret, Eugene F. Tighe, Jr.

Areas of Work: The Company's operations involve three industry segments: Marine, Recreation and Technical.

Divisions:

Technical

Defense Division
Skokie, Illinois
Products and services include radomes, motor cases and pressure vessels, portable shelter systems, camouflage, fire detection systems, chemical warfare agent detectors/alarms, honeycomb metal bonded structures, launch and weapon systems, tactical aircraft decoy systems, protective gloves, composite components for helicopters and fixed-wing aircraft.

Marine

Marine Power Division
Fond du Lac, Wisconsin
Mercury, Mariner and Force outboard motors; MerCruiser stern drives and inboard engines for pleasure boating applications; U.S. Marine Power gas and diesel inboard engines and L-Drive engines; Quicksilver marine parts and accessories.

U.S. Marine Division
Arlington, Washington
Bayliner fiberglass pleasure boats from 15 to 45 feet in length. Arriva luxury pleasure boats, 17 to 21 feet. Maxum upscale luxury fiberglass boats from 17 to 20 feet, and Escort boat trailers.

Sea Ray Division
Knoxville, Tennessee
Sea Ray stern drive and diesel inboard powered fiberglass pleasure boats from 16 to 63 feet in length.

Fishing Boats
Topeka, Indiana
Aluminum and fiberglas fishing boats from 12 to 27 feet.

Recreation

Zebco Division
Tulsa, Oklahoma
Fishing reels, rods, reel-rod combinations, electric trolling motors and sportfishing accessories.

Brunswick Division
Muskegon, Michigan
Bowling lanes, automatic pinsetters, computerized scoring equipment and business systems, ball returns, seating and locker units, bowling pins, balls, bags and shoes, billiard tables, and golf club shafts.

Brunswick Recreation Centers Division
Deerfield, Illinois
Operates company-owned bowling centers and provides management services for independent bowling center proprietors.

Acquisition:

Kiekhaefer Aeromarine, Inc.

Transfer Agent(s):

Brunswick Corporation
Skokie, Illinois

Stock Exchange(s): New York, Midwest, Pacific, London and Tokyo

Ticker Symbol: BC

Number of Employees:

1990	20,500	1987	28,400
1989	25,700	1986	26,800
1988	28,500		

Sales & Earnings

	Net Sales		Net Income
1990	$ 2,477,600,000	$	70,900,000
1989	2,826,100,000		(71,300,000)
1988	3,282,000,000		193,100,000
1987	3,086,400,000		168,800,000
1986	1,717,400,000		110,300,000

	No. of Com. Shares †		Earn. per Share ‡
1990	88,300,000	$	0.80
1989	87,900,000		—
1988	86,600,000		2.20
1987	89,200,000		1.90
1986	88,500,000		1.32

(Loss)
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

		1990		1989
Marine	$	1,651,700	$	2,000,700
Recreation		455,200		392,200
Technical		370,700		433,200
Total	$	2,477,600	$	2,826,100

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.440	—	—
1989	0.440	—	—
1988	0.420	—	—
1987	0.315	—	2-for-1
1986	0.285	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity		Equity Per Share ‡
1990	$ 824,000,000	$	9.33
1989	776,100,000		8.83
1988	949,800,000		10.97
1987	848,900,000		9.52
1986	690,800,000		7.80

‡ Adjusted to reflect stock split.

Income Account*
(000's)

Year ended Dec. 31		1990		1989
Net sales	$	2,477,600	$	2,826,100
Cost of sales		1,914,100		2,209,800
Expenses		475,200		540,300
Restruc. charge		15,000		100,000
Interest expense		46,300		56,700
Interest income		(11,500)		(3,300)
Gain on dispos. of Tech. seg.		(84,200)		—
Inc. (loss) bef. taxes	$	122,700	$	(77,400)
Income taxes (credit) =		51,800		(6,100)
Net Income (Loss)	$	70,900	$	(71,300)

* Included in Costs and Expenses, Depreciation and Amortization: $145,600,000 in 1990 and $159,800,000 in 1989.

Brunswick Corporation

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 84,600	$ 21,700
Accts. & notes recvs., net	173,600	184,000
*Inventories	359,600	404,600
Prepaid inc. taxes	171,000	144,900
Prepaid expenses	22,100	24,100
Current Assets	$ 810,900	$ 779,300
≠Fixed assets	578,600	637,300
Other assets	505,800	568,200
Total Assets	$ 1,895,300	$ 1,984,800

Liabilities
(000's)

	1990	1989
Short-term debt & long-term debt, curr.	$ 5,800	$ 10,800
Accts. payable	129,600	167,100
Accruals	388,700	375,700
Income taxes	7,300	9,500
Curr. Liabilities	$ 531,400	$ 563,100
Long-term debt	301,500	462,200
Deferred pensions	27,300	23,400
Deferred compensation	28,600	14,700
Deferred inc. taxes	182,500	145,300
+Common stock	70,600	70,600
Add. paid-in capital	165,400	167,400
Unearned portion of restricted stock	(7,500)	(8,800)
Retained earnings	787,600	755,500
Cum. trans. adjust.	12,200	8,700
Treasury stock	(114,300)	(121,200)
Unamort. ESOP exp.	(90,000)	(96,100)
Total Liabilities & Shareholders' Equity	$ 1,895,300	$ 1,984,800

* At lower of cost (FIFO & LIFO) or market.
≠ Less accumulated depreciation.
+ $0.75 par value.

Statistical Summary

	1990	1989
%Income bef. Taxes to Sales	4.95	—
%Net Income to Sales	2.86	—
%Net Income to Equity	8.60	—
Sales to Inventories	6.89	6.98
Debt to Equity	0.37	0.61
Working Capital	$ 279,500,000	$ 216,200,000
Current Ratio	1.53	1.38
Shareholders' Equity	$ 824,000,000	$ 776,100,000

Bulova Corporation

(formerly Bulova Watch Company, Inc.: 97% owned by Loews Corporation)

One Bulova Avenue
Woodside, New York 11377-7874
(718) 204-3300
FAX (718) 204-3546

Officers: Harry B. Henshel, chairman of the board; Herbert C. Hofmann, president & chief executive officer; Lawrence F. Codraro, v.p., secretary & general counsel; James S. Waterwash, v.p. & pres. Bulova Technologies, Inc.; Paul S. Sayegh, executive v.p.; Thomas P. Hickerson, v.p. & controller

Directors: Harry B. Henshel, chairman; Herbert C. Hofmann, Andrew H. Tisch, Laurence A. Tisch, Preston R. Tisch

Areas of Work: Manufactures and sells, throughout the world, watches and clocks for consumer use, and sells power cells and watch parts to the trade. Also sells nonconsumer products for defense and industrial use, including timing and similar devices.

Divisions:

Consumer Products-Domestic
Technical Sales & Services
Consumer Products-International

Industrial/Defense Divisions
Systems and Instruments
Providence Division

Subsidiaries:

Bulova Watch Company Limited
Bulova Technologies, Inc.

Hamilton Technology, Inc.
Manufactures mechanical and electronic time fuzes and other precision electro-mechanical devices for industry and national defense.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Number of Employees:

1990	450	1987	1,450
1989	900	1986	N.A.
1988	1,400		

N.A. - Not Available

Plant Footage:

1990	(N.A.)	1988	302,800
1989	240,800 sq. ft.	1987	302,800

N.A.-Not Available

Sales & Earnings

	Revenues	Net Income †
1990	$ 182,039,000	$ (4,080,000)
1989	173,732,000	(4,220,000)
1988	153,913,000	1,098,000
1987	155,256,000	8,557,000
1986	171,914,000	15,572,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	4,599,000	$ —
1989	4,599,000	—
1988	4,599,000	0.24
1987	4,599,000	1.86
1986	4,599,000	3.39

(Loss)
† Including extraordinary gains of $882,000 ($0.19 per share) in 1990, $525,000 ($0.11 per share) in 1989, $1,038,000 ($0.23 per share) in 1988, $491,000 ($0.11 per share) in 1987 and $4,017,000 ($0.88 per share) in 1986.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Consumer	$ 103,180,000	$ 106,871,000
Industrial & defense	78,230,000	66,143,000
Corporate	629,000	718,000
Total	$ 182,039,000	$ 173,732,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 73,847,000	$ 16.06
1989	77,888,000	16.94
1988	81,630,000	17.75
1987	79,410,000	17.27
1986	70,293,000	15.28

‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Revenues		
Net sales	$ 176,785	$ 169,727
Other income	5,254	4,005
Total revenues	$ 182,039	$ 173,732
Cost of sales	125,783	123,804
Expenses	52,303	47,599
Interest to affiliates	3,643	1,965
Interest expense	860	620
Gain from asset disposition	(57)	(457)
Inc. (loss) bef. taxes	$ (493)	$ 201
Income taxes	4,469	4,946
Net Loss	$ (4,962)	$ (4,745)
Extraord. gain	882	525
Net Loss & extraord. gain	$ (4,080)	$ (4,220)

* Included in Costs and Expenses, Depreciation and Amortization: $3,903,000 in 1990 and $2,848,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 6,222	$ 5,591
Receivables, net	56,696	64,127
*Inventories	55,115	55,264
Prepaid expenses	1,670	1,544
Current Assets	$ 119,703	$ 126,528
≠Fixed assets	31,854	36,590
Other assets	6,878	5,950
Total Assets	$ 158,435	$ 169,068

Liabilities
(000's)

	1990	1989
Notes payable	$ —	$ 649
Long-term debt, curr.	950	3,320
Accts. payable	12,060	9,412
Accrued payroll	4,861	5,563
Accrued relocation	3,159	1,425
Accrued pension	2,224	2,932
Accrued warranty	1,715	1,716
Other accruals	9,695	8,439
Income taxes	2,035	3,158
Curr. Liabilities	$ 36,699	$ 36,614
Long-term debt		
Indust. develop. rev. bonds	1,674	3,947
Oblig. under cap. leases	2,651	3,127
Other liabilities	9,564	10,295
Debt to affiliate	32,000	37,000
+Common stock	22,999	22,999
Add. paid-in capital	23,054	23,053
Retained earnings	26,039	30,119
Cum. trans. adjust.	1,760	1,722
Treasury stock	(5)	(5)
Total Liabilities & Shareholders' Equity	$ 158,435	$ 169,068

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $5 par value.

Statistical Summary

	1990	1989
%Income bef. Taxes to Sales	—	0.12
Sales to Inventories	3.21	3.07
Debt to Equity	0.10	0.14
Working Capital	$ 83,004,000	$ 89,914,000
Current Ratio	3.26	3.46
Shareholders' Equity	$ 73,847,000	$ 77,888,000

Butler National Corporation

8405 Melrose Drive
Lenexa, Kansas 66214
(913) 888-8585
FAX (913) 888-8611

Officers: Gerald R Smith, chairman & chief executive officer; Clark D Stewart, president & chief exec officer; John R Dixon, president & chief operating officer; R J Fitzgerald, general counsel & secretary; Jack Graham, v p -aircraft modifications; John M Brennan, v p & chief financial officer

Directors: Clark D Stewart, R Warren Wagoner, Albert Sidun, John M Brennan, Randall W Wagoner

Areas of Work: Manufactures and markets airborne switching units Also modifies aircraft, and services and monitors water treatment facilities

Subsidiaries:

Avcon Industries, Inc
P O Box 748, Building J
City County Airport
Newton, Kansas 67114

Butler National Services Company
(formerly Lauderdale Services, Inc)
2772 N W 31st Street
Ft Lauderdale, Florida 33311
(305) 733-7511

Transfer Agent(s):

Norwest Bank Minneapolis, N A
7th & Marquette
Minneapolis, Minnesota 55401

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BUTL (NASDAQ)

Number of Employees:

1989	98	1986	84
1988	95	1985	95
1987	97		

Plant Footage:

1989	23,935 sq ft	1986	23,935
1988	23,935	1985	23,935
1987	23,935		

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 5,167,000	$ (3,157,000)
1988	4,791,000	642,000
1987	4,108,000	(907,000)
1986	3,316,000	(348,000)
1985	2,254,000	259,000

	No of Com Shares ≠	Earn Per Share ‡ ≠
1989	3,669,048	$ —
1988	3,669,694	0.17
1987	3,654,596	$ —
1986	3,528,012	—
1985	N A	0.07

( ) Loss
N A Not Available
+ Of continuing operations only
‡ Including extraordinary gain of $233,000 ($0.06 per share) in 1988
≠ Based on the weighted average number of shares outstanding

Revenues by Line of Business

	1989	1988
Aircraft modification	$ 2,256,879	$ 1,546,281
Avionics	1,256,814	1,508,693
Monitoring services	280,199	919,543
Total	$ 3,793,892	$ 3,974,517

Common Stock Equity

	Total Equity	Equity Per Share ≠
1989	$ (1,232,966)	$ —
1988	1,954,780	0.53
1987	1,307,077	0.36
1986	2,187,454	0.62
1985	2,514,741	—

( ) Deficiency
≠ Based on the weighted average number of shares outstanding

Income Account *

Year ended April 30	1989	1988
Net sales	$ 5,167,380	$ 4,791,439
Cost of sales	4,988,209	2,946,765
Expenses	1,683,416	1,157,800
Prov for discount on note	102,000	—
Interest expense	225,060	141,453
Interest income	(50,588)	(47,583)
Gain on sale - prod line	—	(62,183)
Other expense (income)	157,871	(34,406)
Inc (loss) bef taxes	$ (1,938,588)	$ 689,593
Income taxes	—	264,475
Inc (loss)-cont oper	$ (1,938,588)	$ 425,118
Loss-discont oper	(1,218,873)	(16,184)
Net Income (Loss)	$ (3,157,461)	$ 408,934
Extraord gain	—	233,000
Net Income (Loss) & extraord gain	$ (3,157,461)	$ 641,934

* Included in Costs and Expenses, Depreciation and Amortization $196,633,000 in 1989 and $151,554,000 in 1988

Assets

As of April 30	1989	1988
Cash	$ 22,991	$ 19,078
Accts receiv , net	696,312	832,939
Contracts in process	243,860	298,416
Notes receiv	28,665	240,463
Assets under contrac arrange	131,308	—
* Inventories	410,495	468,880
Assets - discont oper	107,076	738,873
Prepaid expenses	23,434	20,412
Current Assets	$ 1,664,141	$ 2,619,061
Notes receivable	191,019	214,331
Assets under contrac arrange	244,514	—
Assets - discont oper	59,221	351,666
Receiv from officer	—	60,002
≠ Fixed assets	1,077,191	1,057,163
Other assets	12,291	33,395
Total Assets	$ 3,248,377	$ 4,335,618

Liabilities

Bank overdraft	$ 94,844	$ 22,363
Notes payable, curr	377,525	107,461
Cap lease oblig , curr	2,664	—
Accounts payable	971,721	360,415
Customer advances	—	98,000
Accruals	535,896	312,923
Customer deposits	100,000	679,157
Curr Liabilities	$ 2,082,650	$ 1,580,319
Bank notes	2,000,000	669,843
Notes payable	72,359	93,731
Cap lease oblig	326,334	—
Deferred comp	—	36,945
+ Common stock	370,279	367,849
Add paid-in capital	9,485,796	9,472,911
Notes - stock purch agree	(45,600)	—
Deficit	(11,043,441)	(7,885,980)
Total Liabilities & Shareholders' Equity	$ 3,248,377	$ 4,335,618

* At lower of standard cost (FIFO) or market
≠ Less accumulated depreciation
+ $0.10 par value

Statistical Summary

% Net Income to Equity	—	20.92
Sales to Inventories	12.59	10.22
Debt to Equity	—	0.46
Working Capital	—	$ 1,038,742
Current Ratio	—	1.66
Shareholders' Equity (Deficiency)	$ (1,232,966)	$ 1,954,780

CAE Industries Ltd.

Suite 3060, P O Box 30
Royal Bank Plaza
Toronto, Ontario M5J 2J1, Canada
(416) 865-0700
FAX (416) 865-9747

Officers: R Fraser Elliott, chairman of the board; C Douglas Reekie, vice chairman, David H Race, president & chief executive officer; John E Caldwell, sr v p , finance & corp affairs & secretary; Frederick C Fraser, v p -corp relations; David L Adams, treasurer; N B Cavadias, sr v p -electronics & aerospace group; David R Tait, v p -development-Aerospace & Electronics Group; F Veuger, v p -industrial products group; Keith H Wettlaufer, v p -finance; Thomas C O'Reilly, controller & assistant secretary

Directors: R Fraser Elliott, chairman; C Douglas Reekie, Pierre Cote, Ward C Pitfield, E Jacques Courtois, J D Creighton, J W McCutcheon, Michael M Koerner, D H Race, F C Wilkinson, Dr -Ing Hasso Freiherr von Falkenhausen, Roderick L Henry, Alonzo L McDonald, Thomas A Reynolds, Jr

Areas of Work: CAE Industries Ltd is a Canadian-owned holding and management company with operating divisions across Canada, in the U S and in West Germany These divisions are engaged in electronics, aviation, and industrial products manufacturing and services for a wide variety of industries, with an emphasis on simulation and training services

Subsidiaries:

CAE Machinery Ltd
3550 East Broadway
Vancouver, B C , Canada
(604) 299-3431

Engineered products, including bandmills, log carriages, edger optimizers, chippers, chip screens, disc waferizers and resin blending equipment, pulp and paper equipment refurbishing, ferrous metal castings

USP Industries Inc
72 Queen Street
Lennoxville, Quebec, Canada
(814) 562-4754

Perforated, drilled and slotted stainless steel screen plates and baskets, chrome and nickel plating

Northwest Industries Limited
Industrial Airport
P O Box 517
Edmonton, Alberta, Canada
(403) 455-3161

Aircraft inspection, maintenance, overhaul, modification, repair and technical support, technical publications

CAE Industries Ltd.

Canadian Bronze Company Limited
15 Bury Street
Winnipeg, Manitoba, Canada
(204) 786-6821

Journal and diesel locomotive suspension bearings, diesel cylinder liner replating, axle plating and machining, wheel set maintenance and reconditioning, aluminium and bronze castings.

CAE Electronics Ltd.
8585 Cote de Liesse Road
St. Laurent 377
Montreal, Quebec, Canada
(514) 341-6780

Commercial and military aircraft and helicopter flight simulators, energy management systems, nuclear power plant control systems and simulators, shipboard propulsion machinery control systems, airborne magnetic anomaly detection systems, air defense training systems, air traffic control systems, telerobotic systems, systems engineering and weapons systems software support for tactical aircraft.

CAE Fiberglass Ltd.
219 Jamieson Bowe Road
Belleville, Ontario, Canada

Filament wound fiberglass underground fuel storage tanks.

CAE Electronics GmbH
Steinfurt II
Stolberg, Aachen, West Germany

Maintenance, upgrading and support of military flight, tactics and radar simulators, production of training aids, electronic warfare flight simulator sub-systems, air crew selection systems and commercial telecommunications and data handling systems.

CAE Electronics B.V.
Amsterdam, The Netherland
Zurich, Switzerland

CAE-Link Corporation (formerly the Link Domestic Training andSimulation Division of The Singer Co.)
(Acquired on August 22, 1988.)
Washington, Washington D.C.

Supplies simulators and total training services to U.S. government agencies and foreign governments.

Operations of CAE-Link Corporation

Link Flight Simulation Operations
Binghamton, New York

Produces military flight and mission simulators, part-task trainers and visual display systems.

Houston, Texas

Assembles simulators, develops computer software, and maintains and upgrades space program training devices.

Sunnyvale, California

Engaged in applied research and development. Also manufactures complex devices such as digital image generators for visual scene simulation, electro-optical sensor simulation, radar landmass simulation, and sensor system database technology.

Link Tactical Simulation Operations
Silver Spring, Maryland

Develops and manufactures simulation systems for naval tactics and operations, including anti-submarine warfare, for ASW aircraft, surface vessels and submarines. Also develops battlefield command and control systems for tactical land warfare training.

Link Training Services Operations
Dallas, Texas

Provides training instruction, logistics support and training system development and management to CAE-Link customers.

Transfer Agent(s):

Montreal Trust Company
Montreal, Quebec, Canada
Toronto, Ontario, Canada
Vancouver, British Columbia, Canada

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CAE

Number of Employees:

1990	9,500	1987	4,200
1989	11,760	1986	5,125
1988	12,400		

Sales & Earnings

	Revenues +	Net Income ≠
1991	$ 1,097,728,000	$ 24,157,000
1990	1,119,546,000	2,689,000
1989	838,827,000	42,755,000
1988	332,890,000	29,297,000
1987	335,410,000	27,935,000

	No. of Com. Shares x	Earn. per Share ≠‡
1991	96,380,071	$ 0.25
1990	96,291,595	0.03
1989	77,504,045	0.55
1988	77,209,617	0.38
1987	76,685,556	0.36

+ Of continuing operations only.
≠ Including extraordinary gains of $2,217,000 ($0.03 per share) in 1988, $795,000 ($0.01 per share) in 1987 and an extraordinary loss of $399,000 ($0.01 per share) in 1989.
x Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Aerospace/electronics	$ 1,021,296	$ 1,028,554
Industrial products	76,432	90,922
Total	$ 1,097,728	$ 1,119,546

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1991	$ 0.16	—	—
1990	0.16	—	—
1989	0.16	—	—
1988	0.16	—	—
1987	0.16	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1991	$ 457,115,000	$ 4.74
1990	441,908,000	4.59
1989	223,603,000	2.89
1988	210,917,000	2.73
1987	N.A.	2.48

N.A. - Not Available
‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended March 31	1991	1990
Revenues	$ 1,097,728	$ 1,119,546
Cost of sales & expenses	989,695	1,025,656
Depreciation & amortization	41,019	37,904
Interest expense	30,941	42,965
Curr. exch. gain	(170)	(8,754)
Income before taxes	$ 36,243	$ 21,775
Income taxes	12,086	19,086
Net Income	$ 24,157	$ 2,689

Assets
(000's)

As of March 31	1990	1989
Accts. receiv., net	$ 351,830	$ 383,939
*Inventories	48,862	57,797
Prepaid expenses	7,230	5,194
Inc. taxes recov.	21,944	18,489
Current Assets	$ 429,866	$ 465,419
≠Fixed assets	146,154	144,652
Other assets	7,681	6,703
Intangibles	636,311	658,811
Total Assets	$ 1,220,012	$ 1,275,585

Liabilities
(000's)

Bank indebtedness	$ 6,806	$ 12,588
Long-term debt, curr.	607	181
Accts. payable & accruals	340,182	373,944
Deposits on contracts	109,274	116,916
Gov't. of Canada loan	3,900	3,900
Curr. Liabilities	$ 460,769	$ 507,529
Long-term debt	296,607	315,266
Deferred income taxes	3,648	8,937
Minority interest	1,873	1,945
+Capital stock	305,418	304,900
Retained earnings	178,933	170,189
Curr. trans. adjust.	(27,236)	(33,181)
Total Liabilities & Shareholders' Equity	$ 1,220,012	$ 1,275,585

* At lower of average cost and net realizable value.
≠ Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Revenues	3.30	1.94
% Net Income to Revenues	2.20	0.24
% Net Income to Equity	5.28	0.61
Debt to Equity	0.67	0.74
Shareholders' Equity	$ 457,115,000	$ 441,908,000

California Microwave, Inc.

985 Almanor Avenue
Sunnyvale, California 94086
(408) 732-4000
FAX: (408) 732-4244

Officers: David B. Leeson, chairman & chief executive officer; Gilbert F. Johnson, president & chief operating officer; David E. Hershberg, exec. v.p. & pres.-Satellite Transmission Systems, Inc.; George L. Spillane, v.p.-finance, chief financial officer & secretary; Joseph Russell, exec. v.p. & pres.-Gov't. Electronics Division; E. Russell Hardy, v.p. & pres.-Defense Products Div.; H. Gary Vandemark, v.p. & pres.-Telecommunications Products Div.; Robert C. Fitting, v.p. & pres.-EFData Corp.; Kenneth A. Miller, v.p. & exec. v.p. Satellite Transmission Systems, Inc.; Paul H. Jacobs, v.p. & president-Microwave Data Systems, Inc.

Directors: David B. Leeson, chairman; Robert C. Fitting, Robert A. Helliwell, David E. Hershberg, Arthur H. Hausman, Gilbert F. Johnson, Oswald G. Villard, Jr., Thomas D. Sege, Daniel J. McGanney, Jr.

Areas of Work: The company is a supplier of communications and intelligence systems based on microwave radio and computer technology. Principal products are systems and equipment for satellite communications, microwave data communications and electronic intelligence.

Divisions and Subsidiaries:

California Microwave Foreign Sales Corp.
Sunnyvale, California
(408) 732-4000

Advent Communications Technology, Inc. (80%-owned)
San Jose, California
Manufactures telecommunications test equipment

Government Electronics Division
Woodland Hills & Lincoln, California
Electronic intelligence systems

Defense Products Division
Sunnyvale, California

Telecommunications Products Division
Sunnyvale, California

Microwave Data Systems, Inc. (80%-owned)
Rochester, New York
Data radio equipment

Satellite Transmission Systems, Inc
Melbourne, Florida
Hauppauge, New York 11787
(516) 231-1919

EFData Corporation
Tempe, Arizona
Manufactures a range of digital satellite modems

Microwave Systems Equipment Division of EFData Corp
Phoenix, Arizona

Government Communications Systems Division
Annapolis Junction, Maryland

Satellite Transmission Systems, Inc
Melbourne, Florida

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CMIC (NASDAQ)

Number of Employees:

1990	1,029	1987	780
1989	1,020	1986	946
1988	792		

Plant Footage:

1990	372,000 sq. ft.	1987	317,000
1989	367,000	1986	337,000
1988	293,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 145,851,000	$ 6,642,000
1989	125,395,000	5,132,000
1988	97,150,000	3,197,000
1987	97,657,000	(7,193,000)
1986	104,421,000	4,418,000

	No. of Com. Shares ⌗	Earn. per Share ⌗
1990	8,416,000	$ 0.80
1989	8,167,000	0.63
1988	8,053,000	0.40
1987	7,910,000	—
1986	8,086,000	0.55

(Loss)
⌗ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 55,735,000	$ 6.80
1989	48,173,000	5.99
1988	43,945,000	5.42
1987	40,137,000	5.00
1986	46,438,000	5.85

Income Account *

Year ended June 30	1990	1989
Net sales	$ 145,851,000	$ 125,395,000
Cost of sales	111,608,000	99,364,000
Expenses		
Res. and develop	2,600,000	2,096,000
Marketing & adm	19,538,000	15,636,000
Interest expense	1,573,000	403,000
Income bef. taxes	$ 10,532,000	$ 7,896,000
Income taxes	3,890,000	2,764,000
Net Income	$ 6,642,000	$ 5,132,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,265,000 in 1990 and $3,695,000 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv	$ 1,152,000	$ 565,000
Short-term investments	512,000	727,000
Accts. receiv., net	26,929,000	31,185,000
*Inventories	38,414,000	29,697,000
Prepaid expenses	408,000	385,000
Current Assets	$ 67,435,000	$ 62,559,000
⌗Fixed assets	13,550,000	13,476,000
Intangibles	7,907,000	8,544,000
Other assets	1,095,000	398,000
Total Assets	$ 89,987,000	$ 84,977,000

Liabilities

	1990	1989
Notes payable	$ 8,077,000	$ 12,084,000
Long-term debt, curr	1,000,000	—
Accounts payable	9,903,000	9,267,000
Accruals	8,011,000	7,672,000
Income taxes	2,031,000	1,551,000
Curr Liabilities	$ 29,022,000	$ 30,574,000
Long-term debt	5,230,000	6,230,000
+Common stock	810,000	794,000
+Jr. Common stock	9,000	9,000
Add. paid-in capital	19,670,000	18,597,000
Retained earnings	35,981,000	29,339,000
Unamortized stock plan	(495,000)	(326,000)
Notes receivable	(240,000)	(240,000)
Total Liabilities & Shareholders' Equity	$ 89,987,000	$ 84,977,000

* At lower of cost or market. Costs are based on standard costs which approximate actual costs on the FIFO method.
⌗ Less accumulated depreciation.
+ $0.10 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	7.22	6.30
% Net Income to Sales	4.55	4.09
% Net Income to Equity	11.92	10.65
Sales to Inventories	3.80	4.22
Debt to Equity	0.26	0.38
Working Capital	$ 38,413,000	$ 31,985,000
Current Ratio	2.32	2.05
Shareholders' Equity	$ 55,735,000	$ 48,173,000

Canadian Marconi Company

(51.6% owned by The General Electric Co., p.l.c. of England)

2442 Trenton Avenue
Montreal, Quebec H3P 1Y9, Canada
(514) 341-7630
FAX (514) 340-3100

Officers: James F. Grandy, chairman; J. Gustave McInnes, comptroller; John H. Simons, president & chief executive officer; John R. Killick, sr. v.p.; Claude St. Arnaud, sr. v.p.; Gerry Stuurop, treasurer; Andre Massicotte, v.p.-human resources/administration; James J. Kelly, v.p. & chief financial officer; Laurent Noel, v.p.; Daniel Rosenthal, v.p.-Commercial Communications Division; J. Joseph Bedford, v.p.-DataComm Products Division; Ervin Spinner, v.p.-Avionics Division; Claude Bellefleur, v.p.-Components Division; Marcia Mckenzie, secretary; Antoine F. Sayegh, v.p.-commercial services; Gerald R. Smith, v.p.-Naval & Ground Systems Division; Peter Katz, v.p.-Defense Communications Division.

Directors: Ian D. Sinclair, Thomas S. Dobson, Roger O. Beauchemin, James F. Grandy, William I. Mackenzie Turner, Jr., William H. Alexander, Conrad M. Black, Ronald H. Grierson, R. Anthony Robinson, John R. Killick, John H. Simons.

Areas of Work: Engaged in the manufacture of highly engineered electronic products for defense and civil use.

Divisions and Subsidiaries:

Avionics Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9, Canada
(514) 341-7630
Design, development, production and support of airborne navigation systems, display systems, monitoring and control systems, automated test equipment and systems engineering.

DataComm Products Division
415 Legget Drive
Kanata, Ontario K2K 2B2, Canada
(613) 592-6500
Telex switching systems, time division multiplexers, loop adaptors, and bidirectional fax to telex conversion facilities.

Defence Communications Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9, Canada
(514) 341-7630
Design, manufacturing and marketing of military communications equipment. Products include: ECCM multichannel radios, multiplexers, switchboards, command control and communications systems.

Components Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9, Canada
(514) 341-7630
Designs, manufactures and markets electronic components including multi-layer printed circuit boards, thin film and thick film hybrid microcircuits, magnetic devices, illuminated panels, alpha-numeric displays and power supplies.

Commercial Communications Division
2442 Trenton Avenue
Montreal, Quebec HEP 1Y9, Canada
(514) 341-7630
Supplies communications, navigation and sophisticated test equipment to marine and land-based industries and Canadian government institutions. Equipment and services include radar systems, mobile VHF and UHF radios, fish-finding equipment, navigation and communications systems for marine use and highly specialized instrumentation for testing and measurement.

Naval and Ground Systems Division
415 Legget Drive
Kanata, Ontario K2K 2B2, Canada
(613) 592-6500
Produces naval navigation, surface search and air surveillance radar systems and ground-based navigational aids such as microwave landing systems, VHF omni-directional range equipment, instrument landing equipment, VHF omni-test equipment and distance measuring equipment, and provides airspace systems engineering services.

CMC Electronics, Inc.
1 Madison Street
East Rutherford, New Jersey 07073
(201) 777-1662
Repair and overhaul of company's avionics and communications equipment.

Cincinnati Electronics Corporation
2630 Glendale-Milford Road
Cincinnati, Ohio 45241-3187
(513) 733-6100

Engaged in the design, development, production and support of high-technology electronics. Products include range safety receivers for launch vehicles, infrared tail warning systems for military aircraft, and hybrid detectors/amplifiers for weather satellite programs, and defense communications products.

Transfer Agent(s):

Montreal Trust Company
1800 McGill College Avenue
Montreal H3A 3K9, Canada

Stock Exchange(s): American, Montreal, Toronto

Ticker Symbol: CMW

Number of Employees:

1990	3,680	1987	2,729
1989	4,250	1986	2,668
1988	2,957		

Plant Footage:

1990	740,000 sq. ft.	1988	723,000
1989	N.A.	1987	650,000

N.A. - Not Available

Sales & Earnings‡

	Revenues	Net Income
1990	$ 321,510,000	$ 18,827,000
1989	315,589,000	24,320,000
1988	220,193,000	22,039,000
1987	227,722,000	26,836,000
1986	226,634,000	25,841,000

	No. of Com. Shares	Earn. per Share
1990	23,772,768	$ 0.79
1989	23,772,768	1.02
1988	23,772,768	0.93
1987	23,772,768	1.13
1986	23,772,768	1.09

‡ In Canadian dollars

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.28	—	—
1989	0.28	—	—
1988	0.28	—	—
1987	0.28	—	—
1986	0.29	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 259,061,000	$ 10.90
1989	247,905,000	10.43
1988	232,236,000	9.77
1987	216,853,000	9.12
1986	196,673,000	8.27

Income Account
(000's)

Year ended March 31	1990	1989
Revenues	$ 321,510	$ 315,589
Costs & expenses	280,852	274,607
Depreciation & amortization	18,486	14,645
Interest expense	683	484
Income before taxes	$ 21,489	$ 25,853
Income taxes	2,662	1,533
Net Income	$ 18,827	$ 24,320

Assets
(000's)

As of March 31	1990	1989
Cash & temp. invest.	$ 100,535	$ 64,771
Accts. receiv., net	60,056	79,398
Inc. taxes refund	1,779	6,411
*Inventories	70,694	90,239
Prepaid expenses	1,283	2,896
Current Assets	$ 234,347	$ 243,715
Investments	33,623	37,147
#Fixed assets	66,579	65,744
Goodwill	7,735	8,224
Total Assets	$ 342,284	$ 354,830

Liabilities
(000's)

	1990	1989
Accts. payable & accruals	$ 67,646	$ 92,254
Income taxes	3,088	673
Curr. Liabilities	$ 70,734	$ 92,927
Long-term debt	6,149	6,141
Deferred inc. taxes	6,340	7,857
+ Capital stock	10,216	10,216
Retained earnings	251,855	239,684
Cum. trans. adjust.	(3,010)	(1,995)
Total Liabilities & Shareholders' Equity	$ 342,284	$ 354,830

* At lower of cost or est. net realizable value
# Less accumulated depreciation
+ No par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Revenues	6.68	8.19
% Net Income to Revenues	5.86	7.35
% Net Income to Equity	7.27	9.36
Debt to Equity	0.02	0.02
Working Capital	$ 163,613,000	$ 150,788,000
Current Ratio	3.31	2.62
Shareholders' Equity	$ 259,061,000	$ 247,905,000

Canon, Inc.

7-1, Nishi-shinjuku 2-chome
Shinjuku-ku, Toyko 163, Japan

Directors: Ryuzaburo Kaku, chairman & representative director; Keizo Yamaji, pres. & representative director; Hajime Mitarai, senior managing & representative director; Fujio Mitarai, senior management & representative director; Hiroshi Tanaka, senior managing & representative director; Kazuo Naito, senior managing & representative director; Torakiyo Yamanaka, managing director; Masahiro Tanaka, managing director; Tsuneo Enome, managing director; Takeshi Mitarai, managing director; Giichi Marushima, managing director; Hideharu Takemoto, managing director; Seiichi Takikawa, director & advisor; Yutaka Nasu, Takeshi Goshima, Keishi Fukuda, Shinichiro Nagashima, Koichi Sukegawa, Reiji Shirahase, Toshio Endo, Ryozo Hirako, Yoshiaki Suguri, Hisashi Sakamaki, Eiichi Kondo, Takashi Kitamura, Ichiro Endo, Hajime Katayama.

Areas of Work: Manufactures and markets lines of cameras, business machines, and advanced optical products for the semiconductor, broadcasting, and medical fields. Products include electronic typewriters, wordprocessors, facsimile transceivers, microcomputers, laser beam printers, copies, calculators, SLR (single-lens reflex) cameras and video equipment, lenses for SLR, rangefinder and video cameras, precision components such as floppy disk drives, magnetic heads, SLR components and micrographics, medical diagnostic machines, television broadcast lenses, ultraprecise optical components, 35mm rangefinder cameras, copies accessories, micromotors for audio and video products and computers, and a full line of semiconductor production equipment.

Manufacturing Subsidiaries:

Canon Electronics, Inc.
Manufactures precision components such as floppy disk drives, magnetic heads, SLR components and micrographics.

Copyer Co., Ltd.
Manufactures copiers and copier supplies.

Canon Precision, Inc.
Manufactures micromotors used in audio products, video tape recorders, business machines and computers.

Canon Seiko Co., Ltd.
Manufactures molded parts and electronic flash guns.

Oita Canon, Inc.
Manufactures 35mm rangefinder cameras.

Canon Aptex Inc.
Produces cartridges and accessories for copiers.

Canon Chemical Co., Inc.
Produces rollers and blades for copiers.

Canon Components, Inc.
Manufactures hybrid ICs and other high-tech components.

Canon Inc., Taiwan
Manufactures 35mm rangefinder cameras and micromotors for audio products.

Canon Giessen GmbH
West Germany
Manufactures plain paper copiers.

Canon Bretagne S.A.
France
Manufactures electronic typewriters and facsimile transceivers.

Canon Business Machines, Inc.
California, U.S.A.
Produces consumables for copiers and electronic typewriters.

Canon Virginia, Inc.
Virginia, U.S.A.
Manufactures copiers.

Nagahama Canon Inc.
Laser beam printers and parts for business machines.

Canon Opto (Malaysia) Sdn. Bhd.
Video and camera lens.

Major Marketing Subsidiaries:

Canon U.S.A., Inc.
One Canon Plaza
Lake Success, New York 11042, U.S.A.

Canon Canada, Inc.
6390 Dixie Road
Mississauga, Ontario L5T 1P7, Canada

Canon Europa N.V.
Van Leijenberghlaan 221
P.O. Box 7907
1008 AC Amsterdam, The Netherlands

Canon U.K. Ltd.
Canon House
Manor Road
Wallington Surrey SM6 OAJ, United Kingdom

Canon France S.A.
Centre d'Affaires Paris-Nord
Immeuble le Bonaparte
Le Blanc Mesnil 93150, France

Canon Latin America, Inc.
Apartado 7022
Panama 5, Republic of Panama

Canon Australia Pty. Ltd.
1/37 Waterloo Road
North Ryde
Sydney N.S.W. 2113, Australia

Canon Singapore Pte. Ltd.
95 South Bridge Road #13-01/15
South Bridge Centre
Singapore 0105

Canon Hong Kong Trading Co., Ltd.
Room 1101-3 & 1121-2 - Peninsula Centre
67 Mody Road - Tsimshatsui East
Kowloon, Hong Kong

Canon Sales Co., Inc.
11-28 Mita 3-Chome
Minato-Ku, Tokyo 108 Japan
Distribution of products in Japan

Canon Deutschland GmbH
Hellersbergstrasse 2-4
W-4040 Neuss, Germany
Distribution of business machines in Germany

Canon Euro-Photo Handelsgesellschaft mbH
Siemensring 90-92
W-4156 Willich 1, Germany
Distribution of cameras in Germany

Transfer Office:

The Yasuda Trust & Banking Co., Ltd.
2-1, Yaesu 1-chome
Chuo-ku
Tokyo 103, Japan

Depositary and Agent for ADRs:

Morgan Guaranty Trust Company of New York
23 Wall Street
New York, New York 10015, U.S.A.

Stock Exchange(s): Toyko, Osaka, Nagoya, Kyoto, Fukuoka, Nigata, Sapporo, Japan; Luxembourg, Frankfurt, Over-the-Counter (U.S.A.)

Ticker Symbol: CANNY (NASDAQ-U.S.A.)* *Trades as an American Depositary Receipt (ADR)

Number of Employees:

1990	54,000	1987	37,521
1989	44,401	1986	35,498
1988	40,740		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1990	¥ 1,727,948	¥ 61,408
1989	1,350,917	38,293
1988	1,106,010	37,100
1987	976,711	13,244
1986	889,217	10,728

	No. of Com. Shares ‡	Earn. per Share ‡
1990	788,765,000	¥ 78.29
1989	780,546,000	50.16
1988	747,059,000	51.27
1987	747,053,000	19.65
1986	746,108,000	16.67

¥ - Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business
(millions)

	1990	1989
Business machines:		
Copiers	¥ 686,077	¥ 533,115
Computer peripherals	347,496	274,048
Business systems	328,599	273,122
Cameras	250,494	177,597
Optical & other prods.	115,282	93,035
Total	¥ 1,727,948	¥ 1,350,917

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	¥ 12.50	—	—
1989	11.93	10%*	—
1988	11.36	—	—
1987	9.09	—	—
1986	11.36	—	—

+ Adjusted to reflect stock dividend.
* In Japan the Board of Directors may approve a free distribution of common stock under the provisions of the Commercial Code which is distinguished from a stock dividend paid out of retained earnings, which must be approved by the stockholders.

Common Stock Equity

	Total Equity (millions)	Equity Per Share ‡
1990	¥ 617,566	¥ 782.95
1989	550,841	705.71
1988	416,465	557.47
1987	371,198	496.88
1986	336,456	450.95

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *
(millions)

Year ended Dec. 31	1990	1989
Net sales	¥ 1,727,948	¥ 1,350,917
Cost of sales	964,852	770,185
Expenses	604,296	464,747
Interest income	(39,953)	(32,174)
Interest expense	47,102	40,301
Other expense (income)	(2,946)	16,767
Income before taxes	¥ 154,597	¥ 91,091
Income taxes	86,237	46,245
Minority interests	6,952	6,553
Net Income	¥ 61,408	¥ 38,293

* Included in Costs and Expenses, Depreciation and Amortization: ¥ 81,222,000,000 in 1990 and ¥ 67,091,000,000 in 1989.

Assets
(millions)

As of Dec. 31	1990	1989
Cash & cash equiv.	¥ 481,595	¥ 514,312
Marketable securites	30,318	29,052
Accts. receiv., net	281,607	242,511
*Inventories	388,187	344,077
Prepaid expenses	94,221	74,331
Current Assets	¥ 1,275,928	¥ 1,204,283
Receivables & restricted funds	42,197	30,270
Investments	112,966	71,130
#Fixed assets	358,656	302,258
Other assets	38,198	28,439
Total Assets	¥ 1,827,945	¥ 1,636,380

Liabilities
(millions)

Short-term loans	¥ 366,383	¥ 296,674
Accts. payable	330,565	277,963
Income taxes	47,718	35,036
Accruals	69,085	60,381
Other current liabilities	29,733	43,345
Curr. Liabilities	¥ 843,484	¥ 713,399
Long-term debt	262,886	277,556
Accrued pension & sever. cost	11,170	11,447
Minority interest	92,839	83,137
+Common stock	81,408	72,979
Add. paid-in capital	262,713	253,568
Legal reserve	10,594	9,009
Retained earnings	280,027	230,252
For curr. trans. adjust.	(17,176)	(14,967)
Total Liabilities & Shareholders' Equity	¥ 1,827,945	¥ 1,636,380

* At lower of cost (average) or market; foreign at FIFO.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

% Income bef. Taxes to Sales	8.95	6.74
% Net Income to Sales	3.55	2.83
% Net Income to Equity	9.94	6.95
Sales to Inventories	4.45	3.93
Debt to Equity	1.02	1.04
Working Capital (000's)	¥ 432,444,000	¥ 490,884,000
Current Ratio	1.51	1.69
Shareholders' Equity (000's)	¥ 617,566,000	¥ 550,841,000

Carco Electronics

195 Constitution Drive
Menlo Park, California 94025
(415) 321-8174
FAX: (415) 321-1890

Officers: John M. Carter, chairman & chief executive officer; Paul J. Roberts, president & chief operating officer; William M. Schultz, v.p.-administration; Rudy Schneider, v.p.-engineering; John A. Watson, v.p.-new products; William M. Spont, vice president & technical asst.; Hugh D. Carter, v.p.-manufacturing; William R. Meckfessel, treasurer; Helen D. Carter, secretary; Lynda G. Brown, assistant secretary.

Directors: John M. Carter, Richard Bradley, Paul J. Roberts, Robert P. Nelson, Jr., Richard T. Orth, William F. Nicklin, Paul J. Roberts.

Areas of Work: The company's primary product line includes motion simulators and precision rotary tables. These are used in the development and production testing of guidance, navigation and control systems, and systems components. A second product line is microwave boresight and boresight-error measuring systems for precision radomes.

Transfer Agent(s):

Carco Electronics
195 Constitution Drive
Menlo Park, California 94025

Stock Exchange(s): Over-the-Counter

Number of Employees:

1990	90	1988	82
1989	90	1987	75

Plant Footage:

1990	25,000 sq. ft.	1987	20,000
1989	25,000	1986	20,000
1988	25,000		

Carco Electronics

Sales & Earnings

	Net Sales	Net Income
1990	$ 7,979,229	$ (282,849)
1989	8,835,112	491,888
1988	8,960,917	474,628
1987	7,999,577	392,256
1986	6,189,520	132,264

	No. of Com. Shares +	Earn. per Share ‡
1990	401,710	$ —
1989	401,510	1.21
1988	401,510	1.18
1987	401,510	0.97
1986	401,510	0.33

(Loss)
+ Class A and Class B shares combined.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.12	—	—
1989	0.12	—	—
1988	0.12	—	—
1987	0.10	—	—
1986	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 3,345,770	$ 8.33
1989	3,675,424	9.15
1988	3,231,711	8.05
1987	2,805,264	6.99
1986	2,453,159	6.11

+ Based on Class A and Class B stock combined.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 7,979,229	$ 8,835,112
Cost of sales	6,664,975	6,226,326
Expenses	1,706,253	1,719,663
Interest income	(19,939)	(45,494)
Interest expense	125,889	111,929
Inc. (loss) bef. taxes	$ (498,049)	$ 822,688
Income taxes (credit)	(215,200)	330,800
Net Income (Loss)	$ (282,849)	$ 491,888

* Included in Costs and Expenses, Depreciation: $48,555 in 1990 and $43,351 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	$ 65,194	$ 65,061
Accts. recvs.	1,852,112	1,333,889
Costs & earn. in exc. of billings	3,267,033	1,346,509
* Inventories	502,261	616,911
Prepaid expenses	20,921	27,134
Inc. taxes recvs.	221,000	—
Prepaid inc. taxes	161,400	—
Deferred inc. taxes	4,361	6,778
Current Assets	$ 6,093,884	$ 3,395,544
# Fixed assets	237,874	229,421
Other assets	7,925	7,925
Total assets	$ 6,339,683 *	$ 3,632,890

Liabilities

	1990	1989
Note payable	$ 1,975,000	$ 925,000
Accts. payable	604,529	436,537
Accruals	236,746	491,139
Accrued inc. taxes	—	32,021
Billings in exc. of costs	177,638	72,769
Curr. Liabilities	$ 2,993,913	$ 1,957,466
+ Capital stock		
Class A	35,214	35,189
Class B	15,000	15,000
Add. paid-in capital	290,218	288,843
Retained earnings	3,005,338	3,336,392
Total Liabilities & Shareholders' Equity	$ 6,339,683	$ 3,632,890

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.125 stated value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	—	9.31
% Net Income to Sales	—	5.57
% Net Income to Equity	—	13.38
Sales to Inventories	15.89	14.33
Debt to Equity	0.59	0.25
Working Capital	$ 3,099,971	$ 1,438,078
Current Ratio	2.04	2.76
Shareholders' Equity	$ 3,345,770	$ 3,675,424

Chase Corporation

(formerly Columbia Chase Corporation)

Forbes Business Center, Suite 200
220 Forbes Road
Braintree, Massachusetts 02184
(617) 848-2810
FAX (617) 843-9629

Officers: Nikit Ordjanian, chairman of the board; Wilfred W. Carter, president, treasurer, and chief executive & financial officer; Peter R. Chase, v.p. & chief operating officer; George M. Hughes, clerk.

Directors: Nikit Ordjanian, chairman; Edward L. Chase, Francis M. Chase, George M. Hughes, Francis M. McGrory, Wilfred W. Carter, William H. Dykstra, Ernest E. Siegfriedt, Jr., Richard F. Cole.

Areas of Work: Manufactures energy-related products such as dielectric insulation for electrical power cables, protective tapes and coatings for underground gas and oil lines and humidity-resistant coatings for electronic components and printed circuitry. Other operations include custom compounding and mixing of rubber and plastics.

Divisions:

Chase & Sons
19 Highland Avenue
Randolph, Massachusetts 02368
(617) 963-2600

Cable tapes for use in electrical wires and cables, telephone and communication cables, shipboard, Navy and missile cables. Protective tape coatings for corrosion prevention on underground oil, gas and petroleum pipelines. Electrical tapes for utilities and contractors. Flexible electrical insulation and wallboard seams tapes.

HumiSeal
26-60 Brooklyn-Queens Expressway West
Woodside, New York 11377
(718) 932-0800

Produces conformal liquid protective coatings for electronics and printed circuitry, also solder masks and potting compounds.

Royston Laboratories
128 First Street
Pittsburgh, Pennsylvania 15238
(412) 828-1500

Produces and sells materials to prevent corrosion on underground pipelines and other metal surfaces and to protect wood and concrete surfaces, also bridge expansion joints.

Subsidiary:

Chase Export Corporation
Barbados, West Indies
Foreign Sales Corporation (FSC)

Transfer Agent(s):

American Stock Transfer & Trust Co.
40 Wall Street
New York, New York 10005

Stock Exchange(s): Boston

Ticker Symbol: CTE

Number of Employees:

1990	122	1987	186
1989	149	1986	191
1988	152		

Plant Footage:

1990	325,000 sq. ft.	1987	325,000
1989	325,000	1986	325,000
1988	325,000		

Sales & Earnings

	Revenues +	Net Income †
1990	$ 22,386,752	$ 1,115,498
1989	20,586,310	708,892
1988	20,044,323	(2,810,797)
1987	19,379,174	37,084
1986	18,642,652	166,651

	No. of Com. Shares #	Earn. per Share † #
1990	4,310,790	$ 0.26
1989	4,262,455	0.17
1988	4,265,064	—
1987	4,280,323	0.01
1986	4,267,787	0.04

(Loss)
+ Of continuing operations only.
† Including extraordinary loss of $2,608,374 in 1988.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business

	1990	1989
Protective coatings & tape products	$ 22,186,052	$ 20,345,164
Fuel technology prods. & services	200,700	241,146
Total	$ 22,386,752	$ 20,586,310

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 4,412,128	$ 1.02
1989	3,297,268	0.77
1988	2,588,376	0.61
1987	5,421,927	1.27
1986	5,386,843	1.26

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Aug. 31	1990	1989
Net sales	$ 21,936,788	$ 20,142,161
Commissions & other inc.	442,604	439,203
Interest	7,360	4,946
Total income	$ 22,386,752	$ 20,586,310
Cost of sales	14,021,861	12,925,166
Expenses	6,386,142	6,362,730
Interest expense	60,493	147,063
Income bef. taxes	$ 1,918,256	$ 1,151,351
Income taxes	727,835	497,550
Inc.-cont. oper.	$ 1,190,421	$ 653,801
Inc. (loss)-discont. oper.	(74,923)	55,091
Net Income	$ 1,115,498	$ 708,892

* Included in Costs and Expenses, Depreciation and Amortization: $561,435 in 1990 and $621,708 in 1989.

Assets

As of Aug. 31	1990	1989
Cash	$ 94,336	$ 45,429
Receiv., net	4,523,331	4,217,321
*Inventories	2,248,161	2,469,853
Prepaid expenses & other assets	123,438	260,758
Deferred taxes	166,574	185,386
Refund. taxes	—	23,691
Current Assets	$ 7,155,840	$ 7,202,438
≠Fixed assets	2,824,120	2,912,112
Other assets	1,906,665	1,931,013
Total Assets	$ 11,886,625	$ 12,045,563

Liabilities

Notes payable	$ —	$ 496,887
Long-term debt, curr.	42,139	38,241
Accts. payable	1,921,922	1,600,605
Accruals	2,301,001	1,493,452
Income taxes	22,212	458,804
Deferred compensation	805,854	765,930
Curr. Liabilities	$ 5,093,128	$ 4,853,919
Long-term debt	470,321	1,582,463
Deferred compensation	1,911,048	2,311,913
+Common stock	425,835	389,480
Add. paid-in capital	2,408,313	1,753,482
Retained earnings	1,577,980	1,202,529
Treasury stock	—	(48,223)
Total Liabilities & Shareholders' Equity	$ 11,886,625	$ 12,045,563

* At cost (FIFO), which is not in excess of market.
≠ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

(%) Net Income to Equity	25.28	21.50
Sales to Inventories	9.76	8.16
Debt to Equity	0.12	0.64
Working Capital	$ 2,062,712	$ 2,348,519
Current Ratio	1.40	1.48
Shareholders' Equity	$ 4,412,128	$ 3,297,268

Chrysler Corporation

12000 Chrysler Drive
Highland Park, Michigan 48288-1919
(313) 956-5741
FAX: (313) 956-3747

Officers: Lee A. Iacocca, chairman of the board & chief executive officer; Robert S. Miller, Jr., vice chairman; Thomas G. Denomme, exec. v.p.-corporate staff group; William J. O'Brien, v.p., general counsel & secretary; Robert A. Perkins, v.p.-Washington affairs; Glenn E. White, v.p.-personnel, administration & development; Bennett E. Bidwell, chairman-Pentastar Transportation Group, Inc.; Robert A. Lutz, president-Chrysler Motors Corporation; Richard E. Dauch, exec. v.p.-manufacturing; Joseph E. Cappy, v.p.-International Operations; E. Thomas Pappert, v.p.-sales; Arthur C. Liebler, v.p.-communications; Richard E. Acosta, v.p.-car & truck assembly operations; Ronald R. Boltz, v.p.-advance product & operations planning; Francois J. Castaing, v.p.-vehicle engineering; Theodor R. Cunningham, exec. v.p.-sales & marketing; Thomas C. Gale, v.p.-product design; G.J. Giocondi, v.p.-quality & productivity; Thomas T. Stallkamp, v.p.-procurement & supply; Erick A. Reickert, v.p. & chairman-Acustar, Inc.; Leroy C. Richie, v.p. & general counsel; Anthony P. St. John, v.p.-employee relations; Jerome B. York, exec. v.p.-finance & chief financial officer; John B. Damoose, v.p.-marketing; Thomas J. Osborn, treasurer; Gary C. Valade, controller.

Directors: Lee A. Iacocca, chairman; Lilyan H. Affinito, Owen F. Bieber, Earl G. Graves, Anthony J.A. Bryan, Joseph A. Califano, Jr., Kent Kresa, A. Jean de Grandpre, Ronald H. Grierson, Juanita M. Kreps, Robert J. Lanigan, Robert A. Lutz, Peter A. Magowan, Robert S. Miller, Jr., William G. Milliken, Malcolm T. Stamper, J. Paul Sticht, Joseph E. Antonini.

Areas of Work: Manufactures, assembles and markets cars, trucks, jeeps, and related automotive parts and accessories, defense and space products, outboard motors, inboard marine engines and industrial engines, power metal products and chemical products.

Subsidiaries:

Chrysler Automotive Operations, Inc.
Chrysler Motors Corporation
Acustar, Inc.
American Motors Corporation
Automotive Financial Services, Inc.
Chrysler International Corporation
Chrysler Canada Ltd. (Canada)
Chrysler International S.A. (Switzerland)
Chrysler de Mexico S.A. (Mexico)
Chrysler Pentastar Aviation, Inc.
Chrysler Financial Corporation
Jeep Eagle Corporation

Transfer Agent(s):

First Chicago Trust Company of New York
New York, New York 10007

Montreal Trust Company
Montreal and Toronto, Canada

Stock Exchange(s): New York, Midwest, Pacific, Philadephia, Montreal, Toronto, Paris, London, Frankfurt, Vienna, Geneva, Basel, Zurich, Toyko, Berlin, Munich, Amsterdam, Luxembourg.

Ticker Symbol: C (New York)

Number of Employees:

1990	124,000	1987	122,745
1989	121,947	1986	115,074
1988	145,000		

Plant Footage: *

1990	86,307,000 sq. ft.	1987	77,622,300
1989	N.A.	1986	58,283,100
1988	77,131,500		

* In United States only
N.A.: Not Available

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 26,965,000	$ 68,000
1989	31,039,000	359,000
1988	30,790,000	1,050,000
1987	25,381,000	1,290,000
1986	21,937,000	1,389,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	223,657,000	$ 0.30
1989	232,335,000	1.55
1988	225,112,000	4.66
1987	218,612,000	5.90
1986	222,324,000	6.25

+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Car & truck	$ 27,009,000	$ 31,243,000
Financial services	3,774,000	4,079,000
Total	$ 30,620,000	$ 35,186,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 1.20	—	—
1989	1.20	—	—
1988	1.00	—	—
1987	1.00	—	—
1986	0.80	—	3-for-2

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	$ 6,849,000	$ 30.62
1989	7,233,000	31.13
1988	7,582,000	33.68
1987	6,503,000	29.75
1986	5,281,000	23.75

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 26,423,000	$ 30,821,000
Finance & insur. income	3,374,000	3,781,000
Other income	823,000	584,000
Total income	$ 30,620,000	$ 35,186,000
Cost of sales	23,395,000	26,849,000
Expenses	2,785,000	2,601,000
Depreciation & amortization	1,398,000	1,346,000
Pension expense	538,000	553,000
Interest expense	2,458,000	2,844,000
Restruc. charges	(101,000)	931,000
Gain on eq. invest. trans.	—	(503,000)
Inc. bef. taxes	$ 147,000	$ 565,000
Income taxes	79,000	242,000
Inc.-cont. oper.	$ 68,000	$ 323,000
Inc.-discont. oper.	—	36,000
Net Income	$ 68,000	$ 359,000

Chrysler Corporation

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 1,572,000	$ 1,072,000
Marketable securities	1,753,000	1,491,000
Accts. receiv., net	3,694,000	5,028,000
*Inventories	3,150,000	2,915,000
Prepaid taxes, pension & other expenses	565,000	608,000
Net assets-discont. oper.	—	779,000
Finance receivables	16,937,000	22,811,000
#Fixed assets	6,961,000	6,718,000
Special tools	2,507,000	2,487,000
Intangibles	5,299,000	4,716,000
Other assets	3,906,000	2,487,000
Total Assets	$ 46,374,000	$ 51,112,000

Liabilities
(000's)

Short-term debt & long-term debt, curr.	$ 10,150,000	$ 13,525,000
Accts. payable	4,920,000	4,524,000
Accruals & expenses	3,423,000	3,767,000
Long-term debt	12,750,000	14,027,000
Accrued emplcy. benefits	3,762,000	3,246,000
Other liabilities	3,025,000	3,246,000
Deferred inc. taxes	1,210,000	1,444,000
Minority interest	265,000	375,000
+Common stock	245,000	245,000
Add. paid-in capital	2,291,000	2,369,000
Retained earnings	4,813,000	5,229,000
Treasury stock	(500,000)	(610,000)
Total Liabilities & Shareholders' Equity	$ 46,374,000	$ 51,112,000

* At lower of cost (LIFO & FIFO) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

%Income bef. Taxes to Sales	0.56	—
% Net Income to Sales	0.26	—
% Net Income to Equity	0.99	4.96
Sales to Inventories	8.39	10.57
Debt to Equity	3.34	3.81
Shareholders' Equity	$ 6,849,000,000	$ 7,233,000,000

Chyron Corporation

265 Spagnoli Road
Melville, New York 11747
(516) 845-2000

Officers: Alfred O. P. Leubert, chairman, president & chief exec. officer; Leon Weissman, vice chairman; Isaac Hersly, president-Chyron Division; John A. Poserina, v.p. & treasurer; Roi Agneta, v.p.-engineering; Paul J. Rozzini, v.p.-manufacturing; Samuel I. Hendler, secretary; Thomas J. Clarke, controller; Nina Doherty, asst. treasurer; John F. Davis, president-Digital Services Products; Lawrence Weiland, president-CMX Products; W. Tom Beams, president-Aurora Systems Products.

Directors: Alfred O. P. Leubert, chairman; Leon Weissman, Frederick D. Brown, Robert E. Mulcahy.

Areas of Work: The Company's business is a products oriented group concept that has coordinated marketing, advertising, distribution, procurement, product development, and financing with deferred payment plans to end customers. The Company's emphasis has changed to a multi-product approach for filling customer requirements for equipment and systems used in video or film production. Today these products include: character and graphics equipment, digital video effects equipment, digital disc recording and compositing equipment, film and video editing equipment, and electronic paint and animation systems.

Divisions and Subsidiaries:

Chyron Telesystems & Video Products
Corporate Facilities
265 Spagnoli Road
Manufacturing/Research & Development
5 Hub Drive
Melville, New York 11747

Digital Services Products
3622 NE 4th Street
Gainsville, Florida 32609

CMX Products
2230 Martin Avenue
Santa Clara, California 95050

Aurora Systems Products
311 Penobscot Drive
Redwood City, California 94063

The Chyron Group
European Sales & Service
Chyron (U.K.) Ltd.
Digital Services Corporation
CMX Euroservice
Aurora Systems

Dancon House
North Circular Road
Stonebridge Park
London NW 10 7SS England

Joint Venture:

CMX Laser Systems, Inc. (49%-owned)
Engaged in the business of renting CMX 6000 film editing equipment to the film industry.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: CHY

Number of Employees

1989	445	1986	433
1988	481	1985	433
1987	452		

Sales & Earnings

	Net Sales	Net Income
1989	$ 44,157,000	$ (2,273,000)
1988	46,014,000	1,139,000
1987	42,199,000	2,850,000
1986	35,635,000	2,330,000
1985	29,413,000	3,535,000

	No. of Com. Shares +	Earn. per Share +
1989	11,061,000	$ —
1988	10,748,000	0.11
1987	10,682,000	0.27
1986	10,636,000	0.22
1985	10,631,000	0.33

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.14	5%	—
1988	0.11	—	—
1987	0.11	—	—
1986	0.10	—	—
1985	0.09	10%	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 30,463,000	$ 2.69
1988	31,560,000	2.94
1987	31,517,000	2.93
1986	29,337,000	2.75
1985	28,000,000	2.63

+ Adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 44,157	$ 46,014
Cost of sales & expenses	46,649	45,352
Financial income	(1,572)	(1,657)
Interest expense	1,378	1,772
Inc. (loss) bef. taxes	$ (4,298)	$ 547
Income taxes (credit)	(2,185)	285
Minority interest	(190)	(362)
Cum. effect of acct. change	350	(515)
Net Income (Loss)	$ (2,273)	$ 1,139

* Included in Costs and Expenses, Depreciation and Amortization: $2,221,000 in 1989 and $1,697,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash & temp. cash invest.	$ 984	$ 1,534
Accts. & notes receiv., net	27,285	22,336
*Inventories	17,058	12,504
Prepaid expenses	1,069	1,336
Inc. taxes receiv.	1,811	420
Current Assets	$ 48,207	$ 38,130
Market. securities	—	9,501
Trade notes receiv.	6,401	10,219
#Fixed assets	5,097	5,086
Exc. cost over assets acq.	7,079	3,177
Software develop. costs	3,919	2,759
Other assets	1,485	1,518
Total Assets	$ 72,188	$ 70,390

Liabilities
(000's)

Notes payable	$ 27,976	$ 935
Accts. payable & accruals	11,556	10,606
Current Liabilities	$ 39,532	$ 11,541
Long-term debt	109	25,063
Def. inc. from joint vent.	793	418
Deferred income taxes	1,291	519
Minority interest	—	1,289
+Common stock	113	107
Add. paid-in capital	23,846	21,106
Retained earnings	6,504	10,347
Total Liabilities & Shareholders' Equity	$ 72,188	$ 70,390

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.01 par value

Statistical Summary

% Income bef. Taxes to Sales	—	1.19
% Net Income to Sales	—	2.48
% Net Income to Equity	—	3.61
Sales to Inventories	2.59	3.68
Debt to Equity	0.92	0.82
Working Capital	$ 8,675,000	$ 26,589,000
Current Ratio	1.22	3.30
Shareholders Equity	$ 30,463,000	$ 31,560,000

Cincinnati Milacron Inc.

4701 Marburg Avenue
Cincinnati, Ohio 45209
(513) 841-8100
FAX (513) 841-8991

Officers: James A. D. Geier, chairman; Daniel J. Meyer, chairman, president & chief executive officer; David E. Noffsinger, sr. v.p.-plastics machinery; Alan L. Shaffer, group v.p.-specialty products; Christopher C. Cole, v.p.-strategy & business development; Harold J. Faig, v.p.-injection molding machinery; Raymond E. Ross, exec. v.p.-operations; D. Michael Clabaugh, v.p.-advanced systems; Theodore Mauser, v.p.-human resources; William E. Buchholz, v.p.-finance; Robert P. Lienesch, controller; Wayne F. Taylor, v.p.-general counsel & secretary; Ronald D. Brown, treasurer & asst. secretary.

Directors: James A. D. Geier, chairman; Neil A. Armstrong; Edward W. Asplin; Thomas D. Bell, Jr.; Clark Daugherty; Lyle J. Everingham; Donald N. Frey; Mary L. Good; Gilbert Geier McCurdy; Daniel J. Meyer; Joseph A. Steger.

Areas of Work: Engaged in the design, manufacture and sale of process equipment and systems for industry and of supplies and accessories generally sold for use in such systems. The Company has three principal segments of business: machine tools, plastics processing machinery and industrial specialty products. Industrial systems includes standard and special purpose metalcutting machine tools such as computer numerically controlled machining and turning centers and profiling machines, general purpose and production milling machines, composite material and tape-laying machines, contouring machines, computer-controlled cells and systems, electronic machine controls and robots used in the aircraft, automotive and off-the- road industries. Plastics machinery products include plastics injection molding machines, multiple screw plastics extrusion machines, blow-molded plastics bottle machines, and auxiliary equipment used in the bottling , automotive, medical, packaging and construction industries. Specialty products includes various types of grinding machines and wheels, metalworking fluids and coordinate measurement and inspection systems.

Machine tool products include standard and special purpose metalcutting machine tools such as computer numerically controlled machining and turning centers and profiling machines, various types of grinding machines, general purpose and production milling machines, composite material and tape laying machines, contouring machines, and computer-controlled flexible manufacturing cells and systems, used in the aircraft, automotive, and off-the-road industries.

Plastic processing machinery products include plastics injection molding machines, multiple screw plastics extrusion machines, blow molded plastics bottle machines, plastics thermoforming machines, reaction injection molding machines and support equipment used in the bottling, automotive, medical and construction industries.

Industrial specialty products include robots, grinding wheels, metalworking fluids, silicon epitaxial wafers, electronic control systems, coordinate measurement and inspection systems, and industrial lasers.

Subsidiaries:

Cincinnati Milacron Marketing Co.

Amertool Services, Inc.

Cincinnati Milacron International Marketing Company

Coge AG (Switzerland)

Cincinnati Milacron Holding Gesellschaft mbH (Austria)

Cincinnati Milacron Austria Aktiengesselschaft

Cincinnati Milacron Handelsgesellschaft mbH (Austria)

Cincinnati Milacron U.K. Holdings Co.

Cincinnati Milacron Ltd.

Cincinnati Milacron U.K. Ltd.

LK Tool Ltd.

Chesapeake Laser Systems, Inc.

LK Tool USA Inc.

Cincinnati Milacron Assurance Ltd.

Cincinnati Milacron B.V. (Netherlands)

Cincinnati Milacron, Grinding Center Europe B.V.

Cimcool Industrial Products B.V.

Cincinnati Milacron-Canada Ltd.

Cincinnati Milacron Commercial Corp.

Cincinnati Milacron Foreign Sales Corp. (Virgin Islands)

Cincinnati Milacron-Heald Corp.

Cincinnati Milacron S.r.l. (Italy)

The Factory Power Company

Sano Inc.
Passaic, New Jersey
Manufactures equipment to produce thin plastic films, which are used as packaging materials.

Transfer Agent(s):

Mellon Bank, N.A.
Four Station Square
Pittsburgh, Pennsylvania 15219-1173

Stock Exchange(s): New York, Cincinnati, Boston, Midwest

Ticker Symbol: CMZ

Number of Employees:

1990	7,416	1987	9,156
1989	7,683	1986	9,483
1988	8,293		

Plant Footage:

1990	4,800,000 sq. ft.	1987	5,200,000
1989	4,800,000	1986	5,300,000
1988	4,900,000		

N.A. : Not Available

Sales & Earnings

	Net Sales +	Net Income #
1990	$ 837,689,000	$ (24,288,000)
1989	820,087,000	17,368,000
1988	812,097,000	37,089,000
1987	769,600,000	(79,973,000)
1986	765,832,000	23,328,000

	No. of Com. Shares	Earn. per Share #‡
1990	27,303,147	$ —
1989	24,327,272	0.70
1988	24,202,281	1.52
1987	24,116,133	—
1986	23,598,643	0.98

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $5,712,000 ($0.23 per share) in 1989 and $12,114,000 ($0.50 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Industrial systems	$ 428,800,000	$ 393,600,000
Plastics machinery	272,800,000	287,100,000
Specialty products	136,100,000	139,400,000
Total	$ 837,700,000	$ 820,100,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.72	—	—
1989	0.72	—	—
1988	0.72	—	—
1987	0.72	—	—
1986	0.72	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1990	$ 241,670,000	$ 8.85
1989	220,579,000	9.07
1988	221,291,000	9.14
1987	208,895,000	8.66
1986	283,143,000	12.00

† After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended	12/29/90	12/30/89
Net sales	$ 837,689	$ 820,087
Interest income	5,123	5,552
Other income (expense)	(3,149)	1,820
Total income	$ 839,663	$ 827,459
Cost of sales	647,759	625,403
Expenses	157,185	143,426
Interest expense	19,734	22,460
Special charge	32,781	—
Inc. (loss) bef. taxes	$ (17,796)	$ 36,170
Income taxes	4,351	17,139
Inc. (loss)-cont. oper.	$ (22,147)	$ 19,031
Loss-discont. oper.	(2,141)	(7,375)
Net Income (Loss)	$ (24,288)	$ 11,656
Extraord. gain	—	5,712
Net Income (Loss) & extraord. gain	$ (24,288)	$ 17,368

* Included in Costs and Expenses, Depreciation $23,658,000 in 1990 and $22,911,000 in 1989.

Assets
(000's)

As of	12/29/90	12/30/89
Cash & cash equiv.	$ 45,188	$ 32,894
Notes & accts. receiv., net	196,951	198,512
*Inventories	233,396	249,642
Other curr. assets	14,139	18,160
Curr. Assets	$ 489,676	$ 499,208
#Fixed assets	159,234	146,478
Other assets	44,072	40,484
Total Assets	$ 692,982	$ 686,170

Liabilities
(000's)

Amts. payable to banks	$ 10,753	$ 13,604
Long-term debt & cap. lease oblig., curr.	1,408	16,080
Accts. payable	72,764	65,385
Adv. billings & deposits	42,317	37,956
Accruals	99,168	93,546
Income taxes	9,741	13,580
Curr. Liabilities	$ 236,151	$ 240,151

Cincinnati Milacron Inc.

Long term debt & cap lease oblig	157,271	165,831
Long term accrued liab	43,089	42,148
Deferred inc. taxes	8,799	11,461
*Preferred stock	6,000	6,000
**Common stock	27,303	24,327
Add. paid-in capital	139,430	90,360
Retained earnings	68,842	111,992
For. curr. trans. adjust	6,095	(6,100)
Total Liabilities & Shareholders' Equity	$ 692,982	$ 686,170

* At lower of cost or market. U.S. inventories at LIFO, average or standard cost for foreign.
# Less accumulated depreciation and amortization.
* $100 par value; 4% cumulative.
** $1 par value.

Statistical Summary

% Net Income to Equity	—	5.14
Sales to Inventories	3.59	3.29
Debt to Equity	0.68	0.86
Working Capital	$ 253,525,000	$ 259,057,000
Current Ratio	2.07	2.08
Shareholders' Equity	$ 247,670,000	$ 226,579,000

Ciprico Inc.

2955 Xenium Lane
Plymouth, Minnesota 55441
(612) 559-2034
FAX: (612) 559-8799

Officers: Ronald B. Thomas, chairman of the board; Robert H. Kill, president & chief executive officer.

Directors: Ronald B. Thomas, chairman of the board; Robert H. Kill, Sherman J. Kemmer, Douglas M. Pihl, Donald H. Soukup.

Areas of Work: Designs, manufactures and markets high-performance disk and tape controller boards, host bus adapters, software and subsystems for high-performance segments of the computer industry's mass storage market.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPCI (NASDAQ)

Number of Employees:

1990	85	1987	80
1989	85	1986	80
1988	82		

Plant Footage:

1990	17,000 sq. ft.	1987	17,000
1989	17,000	1986	17,000
1988	17,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 9,872,285	$ (323,705)
1989	11,009,721	(14,522)
1988	11,601,146	1,277,334
1987	8,272,559	(746,094)
1986	10,059,584	858,840

	No. of Com. Shares ‡	Earn. per Share ‡
1990	2,004,802	$ —
1989	1,994,919	—
1988	2,033,327	0.63
1987	2,169,590	—
1986	2,255,165	0.38

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.20	—	—
1989	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 8,771,017	$ 4.38
1989	9,451,073	4.74
1988	9,813,751	4.83
1987	9,016,031	4.16
1986	10,635,445	4.72

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 9,872,285	$ 11,009,721
Cost of sales	4,095,418	4,768,881
Expenses	6,628,627	6,874,466
Interest expense	6,959	3,928
Interest income	(450,449)	(549,228)
Other income	(2,585)	(64,804)
Loss before taxes	$ (405,705)	$ (23,522)
Tax credit	(82,000)	(9,000)
Net Loss	$ (323,705)	$ (14,522)

* Included in Costs and Expenses, Depreciation and Amortization: $464,753 in 1990 and $455,460 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 5,011,112	$ 5,315,736
Accts. receiv., net	1,654,831	2,339,879
Refundable taxes	—	5,611
Other receivables	68,511	116,180
* Inventories	1,257,986	1,091,095
Deferred inc. tax benefits	62,000	81,000
Other curr. assets	135,817	80,564
Current Assets	$ 8,190,279	$ 9,030,070
# Fixed assets	1,574,814	1,338,865
Def. tax benefits	26,800	—
Other assets	35,838	27,864
Total Assets	$ 9,827,731	$ 10,396,799

Liabilities

Cap. lease oblig., curr.	$ 4,998	$ —
Accts. payable	651,176	594,925
Accrued compensation	196,000	184,309
Income taxes pay.	57,000	—
Other accruals	121,352	142,292
Curr. Liabilities	$ 1,033,626	$ 921,526
Cap. lease oblig.	23,088	—
Deferred inc. taxes	—	24,200
+ Common stock	20,058	19,982
Add. paid-in capital	5,700,876	5,656,135
Retained earnings	3,050,083	3,774,956
Total Liabilities & Shareholders' Equity	$ 9,827,731	$ 10,396,799

* At lower of cost (FIFO) or replacement cost.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	7.85	10.17
Working Capital	$ 7,156,653	$ 8,108,544
Current Ratio	7.92	9.80
Shareholders' Equity	$ 8,771,017	$ 9,451,073

Clary Corporation

320 West Clary Avenue
San Gabriel, California 91776
(818) 287-6111
FAX: (818) 286-7216

Officers: John G. Clary, chairman; Donald G. Ash, president, chief exec. officer & treasurer; John J. Guerin, secretary; John P. Clary, assistant secretary.

Directors: John G. Clary, chairman; Donald G. Ash, John P. Clary, John J. Guerin, Harland W. Gerds, Jack Toppell.

Areas of Work: Manufactures and markets uninterruptible power systems, and cutting and assembly machinery and metal connector plates for use in the production of housing components.

Divisions:

Precision Instruments Division
320 West Clary Avenue
San Gabriel, California 91776

Transfer Agent(s):

First Interstate Bank
Los Angeles, California

Stock Exchange(s): Pacific

Ticker Symbol: CLY

Number of Employees:

1990	50	1988	130
1989	130	1987	120

Plant Footage:

1990	N.A.	1988	171,000
1989	171,000 sq. ft.		

N.A.-Not Available

Sales & Earnings

	Net Sales +	Net Income +
1990	$ 8,262,000	$ (698,000)
1989	7,890,000	(199,000)
1988	6,798,000	(153,000)
1987	5,110,000	231,000
1986	4,021,000	(754,000)

	No. of Com. Shares ‡		Earn. per Share +‡
1990	1,784,198	$	—
1989	1,784,198		—
1988	1,784,198		—
1987	1,780,198		0.13
1986	1,768,198		—

(Loss)
† Includes other income; of continuing operations only.
+ Including extraordinary gain of $85,000 ($0.05 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalent outstanding.

Common Stock Equity

		Total Equity †		Equity Per Share ‡
1990	$	1,474,000	$	0.83
1989		2,119,000		1.19
1988		2,321,000		1.30
1987		2,477,000		1.39
1986		2,239,000		1.27

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31		1990		1989
Net sales	$	8,192,000	$	7,860,000
Other income		70,000		30,000
Total income	$	8,262,000	$	7,890,000
Cost of sales		5,689,000		5,497,000
Eng. & prod. develop.		417,000		455,000
Selling expense		1,541,000		1,509,000
Gen. & adm. expense		367,000		333,000
Interest expense		37,000		30,000
Other interest		127,000		119,000
Inc. (loss) bef. taxes	$	64,000	$	(53,000)
Income taxes		15,000		1,000
Inc. (loss)-cont. oper.	$	49,000	$	(54,000)
Loss-cont. oper.		(747,000)		(145,000)
Net Loss	$	(698,000)	$	(199,000)

* Included in Costs and Expenses, Depreciation and Amortization: $245,000 in 1990 and $294,000 in 1989.

Assets

As of Dec. 31		1990		1989
Cash	$	129,000	$	126,000
Accts. receiv., net		1,420,000		2,328,000
*Inventories		1,249,000		2,371,000
Prepaid expenses		104,000		212,000
Net assets held for sale		3,000		—
Current Assets	$	2,904,000	$	5,037,000
#Fixed assets		200,000		815,000
Other assets		171,000		192,000
Total Assets	$	3,275,000	$	6,044,000

Liabilities

		1990		1989
Notes payable	$	754,000	$	1,192,000
Long-term debt, curr.		5,000		152,000
Accts. payable & accruals		533,000		1,694,000
Accrued payroll		119,000		239,000
Customer deposits		80,000		68,000
Curr. Liabilities	$	1,491,000	$	3,345,000
Long-term debt		14,000		216,000
Convert. subord. debt		290,000		290,000
Deferred income		6,000		18,000
+Preferred stock		56,000		56,000
++Common stock		2,485,000		2,485,000
Add. paid-in capital		5,106,000		5,106,000
Accum. deficit		(6,173,000)		(5,472,000)
Total Liabilities & Shareholders' Equity	$	3,275,000	$	6,044,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $5 par value; 5.50% cumulative convertible.
++ $1 par value.

Statistical Summary

		1990		1989
Sales to Inventories		6.56		3.32
Debt to Equity		0.72		0.85
Working Capital	$	1,413,000	$	1,692,000
Current Ratio		1.95		1.51
Shareholders' Equity	$	1,474,000	$	2,175,000

Cognitronics Corporation

25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307
FAX: (203) 327-2002

Officers: Matthew J. Flanigan, president & chief executive officer; David H. Shepard, sr. v.p. & chief scientific officer; D. Clark Murphy, v.p.-scanning sales; Gerard Inselia, v.p.-engineering; Alton B. Duncanson, v.p.-support services; Garrett Sullivan, treasurer & chief financial officer; Harold F. Mayer, v.p.-administration & secretary; Vincent J. Harrison, Jr., v.p.-SPEECHMAKER sales.

Directors: David H. Shepard, chairman; Edward J. Gushue, Richard K. Van Nostrand, Edward S. Davis, Matthew J. Flanigan, Timothy P. Murphy, Ralph N. Palermo.

Areas of Work: The Company operates in two principal industries: computer related products and services, and manufacture of machined parts. The Company's computer related products and services division manufactures and markets Optical Character Recognition and Mark Read (OCR/OMR) equipment and voice response devices. The Company's machined parts division manufactures precision machined parts for the Company's computer related products and services division as well as other manufacturers. This includes the design and development of special tools, dies, and prototype parts, and the volume production of precision parts.

Divisions and Subsidiaries:

Scanning Systems Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Speechmaker Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307
Manufactures and markets hardware that allows telephone companies central offices and computers to provide direct voice response of the data retained in their stored memories.

Stamford Tool & Die-Customatic, Inc.
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307
Manufactures machine parts and designs and develops special tools, dies, and phototype parts with heavy emphasis on high tolerance precision works.

Transfer Agent(s):

The Bank of New York
101 Barclay Street
New York, New York

Stock Exchange(s): American

Ticker Symbol: CGN

Number of Employees:

1990	140	1987	142
1989	150	1986	185
1988	140		

Plant Footage:

1990	51,300 sq. ft.	1987	50,400
1989	51,300	1986	63,800
1988	51,300		

Sales & Earnings

		Revenues +		Net Income †
1990	$	16,964,000	$	1,200,000
1989		16,576,000		839,000
1988		14,539,000		(509,000)
1987		15,930,000		632,000
1986		12,288,000		(2,902,000)

	No. of Com. Shares		Earn. per Share † ‡
1990	2,071,389	$	0.54
1989	2,187,942		0.37
1988	2,160,133		—
1987	2,156,303		0.29
1986	2,154,461		—

(Loss)
+ Includes net sales and service; of continuing operations only.
† Including extraordinary gains of $381,000 ($0.17 per share) in 1990, $273,000 ($0.12 per share) in 1989 and $299,000 ($0.14 per share) in 1987.
‡ Based on the average number of shares outstanding.

Revenues by Line of Business

		1990		1989
Computer prods. & services				
Voice processing	$	10,721,000	$	10,168,000
Scanning systems		2,512,000		3,215,000
Machined parts		3,731,000		3,193,000
Total	$	16,964,000	$	16,576,000

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	8,360,000	$	4.04
1989		7,879,000		3.60
1988		7,046,000		3.26
1987		7,546,000		3.50
1986		6,908,000		3.21

Income Account *

Year ended Dec. 31		1990		1989
Net sales	$	15,624,000	$	15,268,000
Service		1,340,000		1,308,000
Total income	$	16,964,000	$	16,576,000
Cost of sales & service		10,746,000		11,094,000
Expenses		4,941,000		4,579,000
Interest income		(134,000)		(12,000)
Income bef. taxes	$	1,411,000	$	915,000
Income taxes		592,000		349,000
Net Income	$	819,000	$	566,000
Extraord. gain		381,000		273,000
Net Income & extraord. gain	$	1,200,000	$	839,000

* Included in Costs and Expenses, Depreciation: $486,000 in 1990 and $546,000 in 1989.

Cognitronics Corporation

Assets

As of Dec. 31	1990	1989
Cash & cash equiv	$ 1,861,000	$ 1,013,000
Accts. receiv., net	3,022,000	2,576,000
*Inventories	2,694,000	3,269,000
Other curr. assets	190,000	361,000
Current Assets	$ 7,767,000	$ 7,219,000
#Fixed assets	1,710,000	2,017,000
Other assets	317,000	250,000
Total Assets	$ 9,794,000	$ 9,486,000

Liabilities

Long-term debt, curr.	$ 7,000	$ 8,000
Accts. payable	579,000	640,000
Accrued payroll	621,000	548,000
Income taxes pay	15,000	10,000
Other accruals	212,000	394,000
Curr. Liabilities	$ 1,434,000	$ 1,600,000
Long-term debt	—	7,000
+Common stock	443,000	442,000
Add. paid-in capital	13,055,000	13,059,000
Deficit	(4,278,000)	(5,478,000)
Treasury stock	(860,000)	(144,000)
Total Liabilities & Shareholders' Equity	$ 9,794,000	$ 9,486,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value

Statistical Summary

% Income bef. Taxes to Sales	9.03	5.99
% Net Income to Sales	5.24	3.71
% Net Income to Equity	9.80	7.18
Sales to Inventories	5.80	4.67
Working Capital	$ 6,333,000	$ 5,619,000
Current Ratio	5.42	4.51
Shareholders' Equity	$ 8,360,000	$ 7,879,000

Coherent, Inc.

3210 Porter Drive
P.O. Box 10321
Palo Alto, California 94303-0811
(415) 493-2111
FAX: (415) 493-1566

Officers: James L. Hobart, chairman of the board & chief exec. officer; Henry E. Gauthier, president & chief operating officer; Robert J. Quillinan, v.p. & chief financial officer; Robert M. Gelber, v.p. & gen. mgr.-Components Group; Leonard C. DeBenedictis, v.p. & gen. mgr.-Laser Group; Lawrence W. Sonsini, secretary; Dennis Bucek, treasurer & asst. secretary; John H. Hubbard, v.p. & general manager- Coherent General Group.

Directors: James L. Hobart, chairman; Franklin P. Johnson, Jr.; Henry E. Gauthier; Charles W. Cantoni; Thomas Sloan Nelsen; Frank Carrubba.

Areas of Work: Design, manufacture and sale of commercial lasers, optics, accessories, and laser-based products for medical, construction, scientific and industrial markets.

Divisions and Subsidiaries:

Medical Group
3270 W. Bayshore Road
P.O. Box 10122
Palo Alto, California 94303
(415) 858-2250

Develops, manufactures and markets laser instruments used for ophthalmology and other medical specialities.

Auburn Group
2301 Lindbergh Street
Auburn, California 95603
(916) 823-9550

Manufactures optics and thin-film coatings, which consist of mirrors and lenses used for imaging and directing laser beams, laser accessories, such as power meters and spectrum analyzers, and electro-optical components.

Laser Group
3210 Porter Drive
P.O. Box 10321
Palo Alto, California 94303
(415) 493-2111

Manufactures ion, excimer and dye lasers for the scientific, industrial and OEM markets.

Lambda Physik GmbH
Postfach 2663
Hans Boeckler Strasse 12
D-3400 Gottingen, West Germany
(0551) 6938-0

Develops and manufactures excimer, CO2, and pulsed dye lasers.

Coherent General Japan Co., Ltd.
3-42-13 Minami-Otsuka
Toshima-Ku, Japan
(03)435-90-9755

Coherent General, Inc.
1 Picker Road
Sturbridge, Massachusetts 01566
(508) 347-2681

Develops and manufactures industrial laser products used in production applications in the automotive, electronics, aerospace and consumer industries.

Coherent (UK) Ltd.
Cambridge Science Park
Milton Road
Cambridge CB4 4FR, England
(0) 223 420501

Coherent General Ltd.
Cambridge Science Park
Milton Road
Cambridge CB4 4FR, England
(0) 223 420501

Coherent GmbH
Senefelder Street 10
D-6074 Rodermark 2
Ober-Roden, West Germany
(06074) 914-0

Lambda Physik
298 Great Road
Acton, Massachusetts 01720
(508) 263-1100

Coherent Kowa, Ltd.
24-3, Nishi-Hashimoto 1-chome
Sagimahara-shi, Kanagawa-ken, Japan
(0427) 71-1671

Laser Applications Ltd.
Gothenburg Way
Stockholm Road, Sutton Fields Ind. Estate
Hull, No. Humberside HU8 OYE, England
(0482) 831154

Manufactures carbon dioxide (CO2) surgical lasers and transversely excited atmospheric (TEA) CO2 laser marking systems.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: COHR (NASDAQ)

Number of Employees:

1990	1,519	1987	1,617
1989	1,664	1986	1,392
1988	1,698		

Plant Footage:

1990	486,400 sq. ft.	1987	444,900
1989	486,400	1986	362,100
1988	486,400		

Sales & Earnings

	Net Sales	Net Income
1990	$ 191,248,000	$ (449,000)
1989	201,649,000	8,561,000
1988	188,115,000	(1,321,000)
1987	159,024,000	(2,325,000)
1986	138,158,000	(873,000)

	No. of Com. Shares	Earn. per Share #
1990	8,866,000	$ —
1989	8,912,000	0.94
1988	8,516,000	—
1987	8,129,000	—
1986	7,928,000	—

( ) Loss
Based on weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Electro-optical prods.	$ 98,464,000	$ 97,867,000
Medical prods.	65,061,000	65,828,000
Industrial prods.	39,433,000	52,999,000
Intersegment sales	(11,710,000)	(15,045,000)
Total	$ 191,248,000	$ 201,649,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 96,295,000	$ 10.86
1989	94,835,000	10.64
1988	83,112,000	9.76
1987	82,493,000	10.45
1986	82,921,000	10.46

Income Account*

Year ended	9/29/90	9/30/89
Net sales	$ 191,248,000	$ 201,649,000
Cost of sales	114,454,000	116,322,000
Expenses		
Res. & develop.	21,944,000	21,268,000
Sell., gen. & adm.	51,826,000	51,688,000
Other income	(731,000)	(4,986,000)
Income before taxes	$ 3,755,000	$ 17,357,000
Income taxes	4,204,000	8,796,000
Net Income (Loss)	$ (449,000)	$ 8,561,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,656,000 in 1990 and $7,284,000 in 1989.

Assets

As of	9/29/90	9/30/89
Cash & cash equiv.	$ 12,914,000	$ 12,166,000
Short-term invest.	11,268,000	9,436,000
Accts. receiv., net	48,753,000	50,467,000
*Inventories	41,738,000	41,468,000
Prepaid expenses	1,645,000	1,661,000
Deferred inc. taxes	6,195,000	5,642,000
Current Assets	$ 122,513,000	$ 120,840,000
#Fixed assets	29,354,000	27,796,000
Goodwill	7,600,000	8,184,000
Other assets	4,829,000	5,471,000
Total Assets	$ 164,296,000	$ 162,291,000

Liabilities

Notes payable	$ 8,752,000	$ 6,187,000
Long-term debt, curr	947,000	695,000
Accts payable	9,897,000	9,382,000
Inc taxes payable	634,000	2,639,000
Accruals	8,725,000	7,703,000
Accrued payroll	7,870,000	8,487,000
Customer deposits	1,304,000	3,900,000
Reserve for warranty	6,896,000	6,815,000
Deferred serv income	7,234,000	6,106,000
Current Liabilities	$ 52,259,000	$ 51,914,000
Long-term debt	6,960,000	6,287,000
Def gain on bldg sale	1,938,000	2,705,000
Deferred inc taxes	3,946,000	3,608,000
Minority interest	2,898,000	2,944,000
+Common stock	1,950,000	1,961,000
Add paid-in capital	52,130,000	52,644,000
Notes receiv stock purch	(886,000)	(892,000)
Retained earnings	39,284,000	39,733,000
Translation adj	3,817,000	1,389,000
Total Liabilities & Shareholders' Equity	$ 164,296,000	$ 162,293,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization
+ $0.22 par value

Statistical Summary

% Income bef Taxes to Sales	1.96	8.61
% Net Income to Sales	—	4.25
% Net Income to Equity	—	9.03
Sales to Inventories	4.58	4.86
Debt to Equity	0.17	0.14
Working Capital	$ 70,254,000	$ 68,926,000
Current Ratio	2.34	2.33
Shareholders' Equity	$ 96,295,000	$ 94,835,000

Cohu, Inc.

5755 Kearny Villa Road
San Diego, California 92123-1170
(714) 277-6700
FAX (714) 277-0221

Officers: William S. Ivans, chairman; James W. Barnes, president and chief executive officer; Charles A. Schwan, v.p.-finance

Directors: William S. Ivans, Frank W. Davis, William N. Jenkins, Gene E. Leary, James W. Barnes, Charles L. Blake, Charles A. Schwan

Division:

FPctronics Division
5725 Kearny Villa Road
San Diego, California 92123
(714) 277-6700

Major products include broadcast and closed-circuit TV systems, color film cameras, environmental, underwater and radiation-tolerant cameras, high resolution cameras, audio and video switching systems and voltage standards.

Subsidiaries:

Broadcast Microwave Services, Inc

Manufactures microwave radios, antenna systems and support equipment used to transmit television video and audio signals.

Delta Design, Inc
5755 Kearny Villa Road
San Diego, California 92113
(714) 292-5000

Supplies specialized electro-mechanical test equipment to the semiconductor industry.

FRL, Incorporated
1005 I Street
Los Banos, California 93635
(209) 826-3292

Supplier of metal detection equipment and cable fault location devices and related equipment to the public utility and construction industries, and highly portable metal detectors to prospectors and hobbyists.

Transfer Agent(s):

Security Pacific National Bank
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: COH

Number of Employees:

1990	487	1987	349
1989	423	1986	377
1988	361		

Plant Footage:

1990	145,700 sq. ft.	1987	142,700
1989	142,700	1986	142,700
1988	142,700		

Sales & Earnings

	Net Sales ‡	Net Income
1990	$ 43,947,000	$ 2,728,000
1989	35,252,000	2,453,000
1988	33,573,000	2,746,000
1987	29,812,000	1,867,000
1986	28,774,000	522,000

	No. of Com. shares †	Earn. per Share †
1990	2,011,840	$ 1.36
1989	1,957,560	1.25
1988	1,918,616	1.43
1987	1,821,105	1.03
1986	1,820,332	0.29

‡ Includes other income, of continuing operations only
† Based on the average number of shares outstanding

Revenues By Line of Business

	1990	1989
Television equipment	$ 24,533,000	$ 20,121,000
Electronic test & detection apparatus	19,414,000	15,131,000
Total	$ 43,947,000	$ 35,252,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.31	—	—
1989	0.28	—	—
1988	0.24	—	—
1987	0.28	—	—
1986	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 23,021,000	$ 11.73
1989	20,858,000	10.68
1988	18,653,000	9.84
1987	15,935,000	8.75
1986	14,423,000	7.92

Income Account *

Year ended Dec 31	1990	1989
Net sales	$ 43,947,000	$ 35,252,000
Cost of sales	30,425,000	22,707,000
Selling exp	6,621,000	6,329,000
Gen & adm exp	2,657,000	2,581,000
Interest income	(84,000)	(168,000)
Income before taxes	$ 4,328,000	$ 3,803,000
Income taxes	1,600,000	1,350,000
Net Income	$ 2,728,000	$ 2,453,000

* Included in Costs and Expenses, Depreciation and Amortization: $703,000 in 1990 and $663,000 in 1989.

Assets

As of Dec 31	1990	1989
Cash	$ 455,000	$ 508,000
Short-term invest	600,000	1,900,000
Accts receiv, net	9,147,000	6,596,000
*Inventories	10,717,000	9,286,000
Prepaid expenses	366,000	223,000
Current Assets	$ 21,285,000	$ 18,513,000
#Fixed assets	6,287,000	5,171,000
Intangibles	369,000	395,000
Other assets	39,000	40,000
Total Assets	$ 27,980,000	$ 24,119,000

Liabilities

Accts payable	$ 2,279,000	$ 1,105,000
Commissions payable	314,000	371,000
Income taxes	246,000	4,000
Accrued payroll	716,000	583,000
Accrued taxes	167,000	153,000
Other accruals	617,000	555,000
Curr Liabilities	$ 4,339,000	$ 2,771,000
Deferred inc taxes	620,000	490,000
+ Common stock	1,962,000	1,953,000
Add paid-in capital	4,093,000	4,060,000
Retained earnings	16,966,000	14,845,000
Total Liabilities & Shareholders' Equity	$ 27,980,000	$ 24,119,000

* At lower of average cost and market.
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

% Income bef Taxes to Sales	9.85	10.79
% Net Income to Sales	6.21	6.96
% Net Income to Equity	11.85	11.76
Sales to Inventories	4.10	3.80
Working Capital	$ 16,946,000	$ 15,742,000
Current Ratio	4.91	6.68
Shareholders' Equity	$ 23,021,000	$ 20,858,000

Colt Industries Inc

430 Park Avenue
New York, New York 10022
(212) 940-0400
FAX (212) 940-0496

(The Company became a privately held corporation via a leveraged buy-out, as of June 10, 1988. The Company's notes and debentures are publicly traded.)

Officers: David I. Margolis, chairman, president & chief exec. officer; Anthony J. diBuono, sr. v.p., general counsel & secretary; Andrew C. Hilton, exec. v.p.; Salvatore J. Cozzolino, exec. v.p. & treasurer; Phil Berkowitz, sr. v.p.; Joseph P. Lisa, sr. v.p. & controller; James J. McHugh, v.p.-labor relations; George W. Townsend, group v.p.; Peter

Colt Industries Inc

H Wieschenberg, v p risk management & corp services; Julius Levinson, v p taxes; Paul G Schoen, v p accounting

Directors: David I Margolis, chairman; Salvatore J Cozzolino; Andrew C Hilton; Thomas A Saunders, III; Charles W Tate

Divisions:

INDUSTRIAL

Fairbanks Morse Engine
701 Lawton Avenue
Beloit, Wisconsin 53511
(608) 364-4411

Diesel engine generator systems for standby, peaking, and continuous service/Diesel engines for industrial drives/Marine diesel propulsion systems and generator systems

Central Moloney Transformer
200 East 11th Avenue
Pine Bluff, Arkansas 71601
(501) 534-5332

Electrical distribution transformers, components

Quincy Compressor
36th Street & Wismann Lane
Quincy, Illinois 62301
(217) 222-7700

Reciprocating and helical screw air compressors

Garlock Special Products
Suite 1250, Midtown Tower
Rochester, New York 14604
(716) 232-1400

Bearings, butterfly valves, plastomer products, and hydraulic/pneumatic cylinders

France Compressor Products
104 Pheasant Run
Newtown, Pennsylvania 18940
(215) 968-5959

Reciprocal compressor seals, packings, valves

Garlock Mechanical Packing
1666 Division Street
Palmyra, New York 14522
(315) 597-4811

Industrial seals, gasketing, expansion joints

AUTOMOTIVE

Holley Automotive
11955 East Nine Mile Road
Warren, Michigan 48089
(313) 597-4000

Automotive carburetor, fuel injection systems, transmission components. Design, manufacture, and sale of OEM car and truck carburetors/Development of non-carburetor automotive fuel management systems

Holly Replacement Parts
11955 East Nine Mile Road
Warren, Michigan 48089
(313) 497-4000

Replacement, performance carburetors, fuel injection systems; remanufactured carburetors; emissions control components

Colt Automotive Products
1748 Northwood Drive
Troy, Michigan 48084
(313) 362-5300

Emission control air pumps, automotive oil pumps, components

Stemco Truck Products
P O Box 1989
Longview, Texas 75606
(214) 758-9981

Truck wheel lubrication systems/Exhaust systems, replacement leaf springs, and automotive instrumentation

Farnam Sealing Systems
1707 Northwood Drive
Troy, Michigan 48084
(313) 362-5457

Gaskets, gasket assemblies for automotive and industrial applications

Fairbanks Morse Engine Accessories Operation
6402 Rockton Road
Roscoe, Illinois 61073
(815) 389-3660

Magnetos, ignition systems, other engine components

AEROSPACE/GOVERNMANT

Menasco Aerosystems
P O Box 500
Euless, Texas 76039
(817) 283-4471

Military and commercial aircraft landing gear and shock mitigation systems

Delavan Gas Turbine Products
P O Box 100
West Des Moines, Iowa 50265
(515) 274-1561

Gas turbine engine fuel injectors, components

Chandler Evans Control Systems
Charter Oak Boulevard
West Hartford, Connecticut 06110
(203) 236-0651

Fuel pumps, fuel controls, and other gas turbine engine accessories and components/Aircraft and airframe valves/Missile flight control systems, valves and actuators

Lewis Electronic Instrumentation
238 Water Street
Naugatuck, Connecticut 06770
(203) 729-5253

Aircraft electronic instrumentation systems

Walbar Turine Components
Peabody Industrial Center
Peabody, Massachusetts 01960
(617) 532-2700

Jet engine turbine blades and vanes, compressor airfoils, discs, impellers, and related components

INTERNATIONAL OPERATIONS

Menasco Aerospace Ltd
1400 South Service Road, West
Oakville, Ontario L6L 5Y7, Canada
(416) 827-7777

Landing gear and flight controls for military and commercial aircraft/Helicopter rotor components/Flight control overhaul service

Garlock of Canada Ltd
66 Jutland Road
Toronto, Ontario M8Z 2H3, Canada
(416) 255-9114

Molded and extruded rubber products/Braided packings/Compressor and industrial engine components/Wheel lubrication and truck exhaust systems for heavy duty trucks

Facilities

Garlock Mechanical Packing Division, Toronto, Ontario; France Compressor Products Divsion, Brantford, Ontario; Stemco Truck Products Division, Mississauga, Ontario

Walbar of Canada Inc
1303 Aerowood Drive
Mississauga, Ontario L4W 2P6, Canada

Jet engine compressor blades and vanes

Garlock AG
Industriestrasse 26/28
8152 Glattbrugg, Switzerland

Colt friction materials, truck transmission components

Garlock Limited
North Way, Andover
Hampshire SP10 5HN, England

Seals, packings, truck wheel lubrication systems, compressor components

Facilities

Garlock Mechanical Packing and Stemco Truck Products Division, Newbury, Berkshire; France Compressor Products Divison, Andover, Hampshire

Garlock S A
Torre dels Pardals, 23
Barcelona 26, Spain

Stemco truck products

Garlock GmbH
Postfach 300 451
Scheffelstrasse 73
4000 Dusseldorf 30, West Germany

Seal, gasketing, valves, truck products, compressor components

Facilities

Garlock Valves & Industrial Plastics, and Stemco Truck Products, Neuss; France Compressor Products Division, Gross Gerau; Garlock Mechanical Packing Division, Dusseldorf

Garlock de Mexico, S A de C V
Poniente 116, No 571
Col Industrial Vallejo
Delagacion Azcapotzalco 02300 Mexico, D F

Industrial packing and gasketing/Compressor components/TFE specialty products and molded rubber products

Delavan Limited
Gorsey Lane, Widnes
Cheshire WA8 ORJ, England

Industrial, agricultural spray nozzles and other products

Liard S A
49 Route National
F-59570 Bavay, France

Compressor and industrial engine components, truck wheel lubrication systems

Garlock Pty Ltd
P O Box 54
Arncliffe, N S W 2205, Australia

Seals, packings, hydraulic components

Number of Employees:

1989	13,300	1986	18,400
1988	15,200	1985	19,700
1987	16,600		

Plant Footage:

1989	8,274,000 sq ft	1987	8,215,000
1988	8,274,000		

NOTE There is no established trading market for Colt's common equity which is entirely owned by Colt Holdings Inc

Sales & Earnings

	Net Sales * (000's)	Net Income † (000's)
1989	$ 1,516,711	$ 119,154
1988	1,523,083	91,028
1987	1,511,688	75,045
1986	1,539,811	89,270
1985	1,472,754	138,033

	No of Com Shares ‡	Earn per Share †‡
1989	—	$ —
1988	—	—
1987	36,127,000	2.15
1986	135,233,000	0.66
1985	167,647,000	0.82

(Loss)
* Of continuing operations only
† Including extraordinary loss of $6,104,000 in 1989
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

	1989	1988
Aerospace/Government	$ 605,000	$ 627,000
Automotive	479,000	488,000
Industrial	433,000	408,000
Total	$ 1,517,000	$ 1,523,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	—	—	—
1986	0.10	—	8.3913-for-1
1985	0.30	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1989	$ (722,754)	$ —
1988	(844,598)	—
1987	(968,924)	—
1986	(1,077,837)	—
1985	414,304	2.47

(Deficiency)
Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,516,711	$ 1,522,083
Cost of sales	1,063,694	1,093,546
Expenses	180,167	174,612
Dividend income	(5,770)	—
Gain on sale of businesses	—	(15,897)
Transaction fees	—	8,500
Interest expense	143,346	161,999
Interest income	(3,170)	(2,959)
Income before taxes	$ 138,444	$ 103,282
Income taxes	16,777	21,610
Income-cont. oper.	$ 121,667	$ 81,672
Income-discont. oper.	3,591	9,356
Net Income	$ 125,258	$ 91,028
Extraord. loss	(6,104)	—
Net Income & extraord. loss	$ 119,154	$ 91,028

* Included in Costs and Expenses, Depreciation $36,733,000 in 1989 and $36,094,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cert. of deposit	$ 3,696	$ 17,380
Marketable securities	—	6,300
Accts. and notes receiv., net	175,202	156,771
*Inventories	218,051	226,735
Deferred inc. taxes	28,384	24,143
Other curr. assets	8,746	9,015
Net assets-discont. oper.	4,903	5,818
Current Assets	$ 438,982	$ 446,190
# Fixed assets	266,980	276,108
Costs in exc. of assets acq.	149,066	154,329
Other assets	76,846	80,549
Net assets-discont. oper.	2,847	(578)
Total Assets	$ 934,721	$ 956,598

Liabilities
(000's)

Long-term debt, curr.	$ 1,725	$ 2,289
Accts. payable	86,091	82,096
Accrued payroll	56,385	50,298
Accrued taxes	34,154	52,341
Accrued interest	16,751	19,690
Other accruals	30,686	47,211
Net liab.-discont. oper.	4,722	6,183
Curr. Liabilities	$ 230,714	$ 260,108
Long-term debt	1,209,480	1,316,643
Minority interest	4,207	4,066
Deferred inc. taxes	70,591	61,962
Other liab.	90,338	100,272
Net liab.-discont. oper.	52,145	58,145
Retained earnings (def.)	(732,889)	(852,043)
For. curr. trans. adjust.	10,135	7,445
Total Liabilities & Shareholders' Equity	$ 934,721	$ 956,598

* At lower of cost (LIFO or FIFO) or market.
# Less accumulated depreciation and amortization.

Statistical Summary

Sales to Inventories	6.96	6.72
Working Capital	$ 208,268,000	$ 186,082,000
Current Ratio	1.90	1.72
Shareholders' Equity (Deficiency)	$ (722,754,000)	$ (844,598,000)

COMARCO, Inc.

160 South Old Springs Road
Anaheim, California 92808
(714) 921-0672

Officers: Harrison Young, III, president & chief exec. officer; Gerald D. Griffin, chairman of the board; Don M. Bailey, sr. v.p.; Thomas P. Baird, v.p.; Evelyn M. Evans, v.p.; C. Bruce Fitzgerald, v.p. & treasurer; Richard C. Loomis, v.p.; John L. McHale, III, v.p.; Richard L. O'Leary, v.p. & secretary; Ray G. Phibbs, v.p.

Directors: Gerald D. Griffin, chairman of the board; Harrison Young, III; Wilbur L. Creech; Burrell W. Hays; Wesley L. McDonald; Richard J. Riordan; Walter V. Sterling; Robert M. Wessely.

Areas of Work: Providing engineering, software, and technical services is the Company's primary business. COMARCO provides computer-based scientific and mathematical analysis services, design engineering support, computer-aided design services, logistics engineering, support planning, and test program engineering on air-based, ground-based, and shipboard weapons, communications, and electronic warfare systems. The Company also designs and manufactures special purpose computer-based products such as roadside emergency telephone systems.

COMARCO provides scientific, engineering, and test services for numerous military systems, communications equipment and ordnance. Extending the service life of existing systems through engineering modifications as well as developing or testing new products is the Company's principal business.

Software engineering, computer-based products and tools, and support to the software development process form about ont-third of COMARCO's business base.

Transfer Agent(s):

U.S. Stock Transfer Corporation

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CMRO (NASDAQ)

Number of Employees

1990	1,400

Sales & Earnings

	Revenues	Net Income #
1990	$ 81,377,000	$ 1,382,000
1989	88,652,000	6,072,000
1987	75,998,000	(12,914,000)

	No. of Com. Shares +	Earn. per Share # +
1990	4,676,000	$ 0.30
1989	4,265,000	1.42
1988	2,901,000	—

(Loss)
Including extraordinary gain of $4,800,000 ($1.12 per share) in 1989.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 5,234,000	$ 1.12
1989	3,848,000	0.90
1988	(4,628,000)	—
1987	7,177,000	—

(Deficiency)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Jan. 31	1990	1989
Revenues	$ 81,377	$ 88,652
Cost of revenues & expenses	75,674	82,510
Depreciation & amortization	2,631	3,030
Prov. for accts. receiv.	—	(145)
Restruc. costs	—	369
Interest expense	1,473	1,587
Other income	(19)	(41)
Income before taxes	$ 1,618	$ 1,342
Income taxes	236	70
Net Income	$ 1,382	$ 1,272
Extraord. gain	—	4,800
Net Income & extraord. gain	$ 1,382	$ 6,072

Assets
(000's)

As of Jan. 31	1990	1989
Cash	$ 56	$ 714
Accts. receiv., net	12,030	12,575
Other curr. assets	964	965
Current Assets	$ 13,050	$ 14,254
# Fixed assets	4,341	6,968
Intangibles	3,373	3,982
Other assets	716	1,000
Total Assets	$ 21,480	$ 26,204

Liabilities
(000's)

Long-term debt, curr.	$ 2,482	$ 2,295
Borrow. under line of cred.	1,129	2,950
Accts. payable	603	1,494
Accruals	5,318	5,554
Restruc. reserve	578	1,025
Current Liabilities	$ 10,128	$ 13,318

Long-term debt	1,350	4,270
Convert subord deben	4,768	4,768
+Common stock	463	463
Add paid-in capital	4,745	4,741
Retained earnings (deficit)	26	(1,356)
Total Liabilities & Shareholders' Equity	$ 21,480	$ 26,204

Less accumulated depreciation and amortization
+ No par value

Statistical Summary

% Income bef Taxes to Revenues	1.99	1.51
% Net Income to Revenues	1.70	1.43
% Net Income to Equity	26.40	33.06
Debt to Equity	1.86	3.71
Working Capital	$ 2,922,000	$ 936,000
Current Ratio	1.29	1.07
Shareholders Equity	$ 5,234,000	$ 3,848,000

Commodore International Limited

Executive offices

1200 Wilson Drive
West Chester, Pennsylvania 19380
(215) 431-9100
FAX: (215) 431-9156

Registered office
Sasson House, Shirley and Victoria Streets
P.O. Box N-10256
Nassau, Bahamas

Officers: Irving Gould, chairman of the board & chief executive officer; Mehdi R. Ali, president; Henri Rubin, executive v.p. & chief operating officer; Harold Copperman, v.p.; Joseph C. Benedetti, v.p., general counsel & secretary; Thomas h. Matson, v.p. & controller; Helmut Jost, v.p.; Ronald B. Alexander, v.p.; James Dionne, v.p.; Steven Franklin, v.p.; Peter Bayley, v.p.-international marketing; Michael D. Smith, v.p.-worldwide manufacturing & purchasing; Bernard van Tienen, v.p.; Carden N. Welsh, treasurer.

Directors: Irving Gould, chairman; Burton Winberg, Ralph D. Seligman, Alexander M. Haig, Jr., Robert A. Utting, Mehdi R. Ali, Henri Rubin.

Areas of Work: Manufactures advanced microcomputer systems and semiconductor components.

Subsidiaries:

Commodore AB
Fagerstavaegen 7
Lunda Inustriomrade
Spanga, Sweden

Commodore A.G.
Langenhagstrasse 1
CH-4147 Aesch, Switzerland

Commodore B.V.
Kabelweg 88
1014 BC Amsterdam, Netherlands

Commodore S.A.
Valencia 47-53
Barcelona, Spain

Commodore-Amiga, Inc.
1200 Wilson Drive
West Chester, Pennsylvania 19380

Commodore Buromaschinen GmbH
Lyoner Strasse 38
Postfach 710126
6000 Frankfurt 71, West Germany

Ernst-Amme-Strasse 24-26
3300 Braunschweig, West Germany

Commodore Buromaschinen (Austria) GmbH
Kinskygasse 40-44
A1232 Vienna, Austria

Commodore Business Machines, Inc.
1200 Wilson Drive
West Chester, Pennsylvania 19380

Commodore Business Machines Limited
3470 Pharmacy Avenue
Agincourt, Ontario M1W 3G3, Canada

Commodore Business Machines U.K. Limited
The Switchback Gardner Road
Maidenhead Berkshire, United Kingdom

Commodore Business Machines (Asia Pacific) Ltd.
2-12 Wing Kei Road
Kwai Chung, New Territories, Hong Kong

Commodore Business Machines Pty. Ltd.
67 Mars Road
Land Cove
New South Wales 2066, Australia

Commodore Computers Norge A/S
Postbosk 109
Okern, N-0509
Oslo 5, Norway

Commodore Computers N.V./S.A.
Europalaan 74
B-1940 St. Stevens-Woluwe, Belgium

Commodore Data A/S
Jens Juuls Vej 42
DK 8260 Viby J, Denmark

Commodore Electronics Limited
Sassoon House
Shirley and Victoria Streets
P.O. Box N-10256
Nassau, Bahamas

Commodore Centre
2-12 Wing Kei Road
Kwai Chung, New Territories, Hong Kong

Langenhagstrasse 1
CH-4147 Aesch, Switzerland

Lyonner Strasse 38
Postfach 710126
6000 Frankfurt 71, West Germany

Commodore France S.A.R.L.
150-152 Av de Verdun
92130-Issy Les Moulneaux
Paris, France

Commodore Italiana S.p.A.
Via Fratelli Gracchi 48
20092 Cinisello Balsamo
Milano, Italy

Commodore Japan Ltd.
Sumitomo Higashi-Shimbashi, Bldg. No. 2
12-7 Higashi-Shimbashi 2-Chome
Minato Ku, Tokyo 105, Japan

Commodore Semiconductor Group
950 Rittenhouse Road
Norristown, Pennsylvania 19403

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: CBU

Sales & Earnings

	Net Sales	Net Income †
1990	$ 887,300,000	$ 1,500,000
1989	939,700,000	51,300,000
1988	871,100,000	55,800,000
1987	806,700,000	28,600,000
1986	889,300,000	(127,900,000)

	No. of Com Shares ‡	Earn per Share † ‡
1990	32,388,000	$ 0.05
1989	32,354,000	1.59
1988	31,768,000	1.75
1987	32,144,000	0.89
1986	31,278,000	—

(Loss)
† Including extraordinary gains of $1,200,000 ($0.04 per share) in 1989, $7,600,000 ($0.24 per share) in 1988 and $6,000,000 ($0.18 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 252,900,000	$ 7.51
1989	240,300,000	7.43
1988	200,300,000	6.31
1987	145,000,000	4.51
1986	105,000,000	3.36

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended June 30	1990	1989 *
Net sales	$ 887,300	$ 939,700
Cost of sales	652,800	640,600
Expenses		
Selling & adv	176,700	138,500
Gen. & adm	47,800	45,300
Res. & develop	27,700	19,300
Amort. of acq. tech	—	7,900
Interest expense	12,800	13,300
Other expense (income)	(22,000)	14,200
Inc. (loss) bef. taxes	$ (8,500)	$ 60,600
Income taxes (credit)	(10,000)	10,500
Net Income	$ 1,500	$ 50,100
Extraord. gain	—	1,200
Net Income & extraord. gain	$ 1,500	$ 51,300

* Included in Costs and Expenses, Depreciation and Amortization: $14,800,000 in 1990 and $24,500,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash & cash equiv	$ 78,400	$ 114,100
Accts. recvs., net	234,100	179,700
*Inventories	236,200	247,900
Other curr. assets	8,300	6,200
Current Assets	$ 557,000	$ 547,900
#Fixed assets	77,700	73,600
Other assets	14,500	8,800
Total Assets	$ 649,200	$ 630,300

Liabilities
(000's)

Bank debt	$ 25,600	$ 22,200
Long-term debt, curr	13,300	14,400
Accts. payable	120,400	94,400
Accruals	50,800	52,600
Taxes payable	28,800	45,300
Curr. Liabilities	$ 238,900	$ 228,900

Long term debt		156,500		158,800
Deferred inc taxes		900		2,300
+Common stock		300		300
Add paid-in capital		40,500		33,300
Retained earnings		221,600		220,100
Cum trans adjust		(1,900)		(11,400)
Unearned compensation		(6,500)		(1,100)
Treasury stock		(1,100)		(900)
Total Liabilities & Shareholders' Equity	$	649,200	$	630,300

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.01 stated value

Statistical Summary

% Income bef Taxes to Sales		—		6.45
% Net Income to Sales		0.17		5.33
% Net Income to Equity		0.59		20.85
Sales to Inventories		3.76		3.79
Debt to Equity		0.77		0.81
Working Capital	$	318,100,000	$	319,000,000
Current Ratio		2.33		2.39
Shareholders' Equity	$	252,900,000	$	240,300,000

Communications Satellite Corporation

950 L'Enfant Plaza S.W
Washington, Washington D.C. 20024
(202) 863-6000
FAX (202) 488-8750

Officers: Irving Goldstein, chairman, chief executive officer & president; Joel R. Alper, president-COMSAT Systems Div.; Bruce L. Crockett, president-World Systems Division; Robert J. Wussler, pres. & chief exec. officer-COMSAT video enterprises; Robert J. Perry, v.p. & chief financial officer; Robert W. Baumann, v.p.-human resources and organization development; Willard R. Nichols, v.p. & general counsel; John V. Evans, v.p. & dir.-COMSAT Laboratories; Richard L. McGraw, v.p.-corp. affairs; Jerome W. Breslow, v.p. & secretary; Margarita K. Dilley, treasurer; Robert C. Myer, Jr., controller

Directors: Joseph V. Charyk, Barry M. Goldwater, Melvin R. Laird, Bruce G. Sundlun, Frederick B. Dent, Lucy W. Benson, Irving Goldstein, Walter A. Fallon, Robert G. Schwartz, Arthur Hauspurg, Peter W. Likins, Thomas C. Griscom, Howard M. Love, Roscoe Robinson, Jr., James B. Edwards

Areas of Work: COMSAT, the Communications Satellite Corporation, provides satellite-based communications services and products to the international, maritime and U.S. domestic markets.

Subsidiaries:

COMSAT General Corporation
950 L'Enfant Plaza S.W., Washington D.C. 20024
(202) 863-6000
Engaged in maritime and domestic U.S. satellite communications programs, and provides worldwide technical service.

COMSTAT Mobile Communications
950 L'Enfant Plaza, S.W
Washington, Washington D.C. 20024
(202) 863-6000

INTELSAT Satellite Services
950 L'Enfant Plaza, S.W., Washington D.C. 20024
(202) 863-6000
Provides international satellite communications services using the satellite systems of the International Telecommunications Satellite Organization (INTELSAT)

COMSAT Laboratories
22300 COMSAT Drive
Clarksburg, Maryland 20871
(301) 428-4000
Performs research and development in the area of satellite communications technology

COMSAT Video Enterprises, Inc.
22300 COMSAT Drive
Clarksburg, Maryland 20871
(301) 428-4000
Owns and operates a satellite network which provides entertainment and videoconferencing services to the lodging industry in the U.S.

COMSTAT Systems Division
22300 COMSTAT Drive
Clarksburg, Maryland 20871
(301) 428-4000

COMSAT Mobile Communications
40 Melton Street, 5th Floor
London NWI 2EQ, England
(44)71-7963074

COMSTAT Video Enterprises, Inc
9777 Wilshire Boulevard
Suite 808
Beverly Hills, California 90212
(213) 247-2726

COMSTAT Systems Support and Service
2330 Commerce Park Drive, N.E.
Suite 1
Palm Bay, Florida 32905
(407) 952-4200

Transfer Agent(s):

American Transtech Inc
8000 Baymeadows Way
Jacksonville, Florida 32256

Stock Exchange(s): New York, Midwest, Pacific, Basle, Geneva, Zurich

Ticker Symbol: CQ

Number of Employees:

1990	1,569	1987	1,475
1989	1,399	1986	2,342
1988	1,285		

Sales & Earnings

		Revenues +		Net Income
1990	$	456,806,000	$	(16,349,000)
1989		411,524,000		62,464,000
1988		358,864,000		61,913,000
1987		333,651,000		(47,273,000)
1986		304,917,000		58,948,000

	No. of Com Shares		Earn. per Share #
1990	18,798,665	$	—
1989	18,676,573		3.35
1988	18,505,628		3.35
1987	18,437,191		—
1986	18,338,063		3.22

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

		1990		1989
International	$	310,632	$	280,006
Systems		96,766		74,714
Video entertainment		52,137		48,959
Eliminations		7,271		7,845
Total	$	456,806	$	411,524

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1990	$	1.32	—	—
1989		1.32	—	—
1988		1.26	—	—
1987		1.20	—	—
1986		1.20	—	—

Common Stock Equity

		Total Equity		Equity Per Share
1980	$	558,064,000	$	29.69
1989		595,138,000		31.87
1988		552,508,000		29.86
1987		512,306,000		27.79
1986		579,131,000		31.58

Income Account
(000's)

Year ended Dec. 31		1990		1989
Revenues	$	456,806	$	411,524
Cost of revenues		225,071		203,312
Depreciation & amortization		108,718		87,156
Expenses				
Res. & develop.		16,001		15,452
Gen. & adm.		21,991		19,514
Prov. for restruc.		97,576		—
Operating profit (loss)	$	(12,551)	$	86,093
Other income		(3,488)		(7,559)
Interest expense		6,707		2,493
Inc. (loss) bef. taxes	$	(15,770)	$	91,159
Income taxes		579		28,695
Net Income (Loss)	$	(16,349)	$	62,464

Assets
(000's)

As of Dec. 31		1990		1989
Cash & cash equiv.	$	2,357	$	6,152
Accts. receiv., net		111,794		95,504
Note receiv.-investee		—		25,000
Deferred inc. taxes		14,084		16,253
Other curr. assets		32,698		25,305
Current Assets	$	160,933	$	168,214
Investments		16,163		17,167
#Fixed assets		1,024,566		1,031,788
Exc. of cost over assets acq.		1,537		26,353
Other assets		25,483		17,588
Total Assets	$	1,228,682	$	1,261,110

Liabilities
(000's)

Commercial paper	$	36,247	$	27,571
Long-term debt, curr.		2,461		10,868
Accts. payable & accruals		84,089		67,355
Accrued interest		12,774		12,763
Income taxes		5,518		4,679
Net liab.-discont. oper.		892		5,651
Curr. Liabilities	$	141,981	$	128,887
Long-term debt		375,181		367,617
Deferred inc. taxes		63,756		80,208
Deferred invest. tax credits		23,424		20,151
Deferred revenue		66,276		69,109
+Common stock		251,459		246,221
Retained earnings		340,827		381,853
Treasury stock		(32,386)		(32,936)
Unearned compensation		(1,836)		—
Total Liabilities & Shareholders' Equity	$	1,228,682	$	1,261,110

# Less accumulated depreciation
+ No par value

Statistical Summary

% Income bef. Taxes to Sales		—		22.15
% Net Income to Sales		—		15.18
% Net Income to Equity		—		0.68
Debt to Equity		0.74		0.64
Working Capital	$	18,952,000	$	39,327,000
Current Ratio		1.13		1.31
Shareholders' Equity	$	558,064,000	$	595,138,000

Compaq Computer Corporation

20555 SH 249
Houston, Texas 77070
(713) 370-0670
FAX (713) 374-1740

Officers: Benjamin M. Rosen, chairman of the board; Joseph R. Canion, president & chief exec. officer; Eckhard Pfeiffer, exec v.p. & chief operating officer; B. Kevin Ellington, sr. v.p.-int'l. market development; Wilson D. Fargo, sr v.p., general counsel & secretary; C. Murray Francois, sr v.p.-corporate quality & materials; James M. Harris, sr. v.p.-engineering; Gary Stimac, sr. v.p.-systems engineering; Robert E. Vieau, sr. v.p.- corporate manufacturing; Daryl J. White, sr. v.p.-finance & chief financial officer; Hugh Barnes, v.p.-product development; Wayne F. Collins, v.p.-materials operations; Ross Cooley, v.p.-North America; Andreas Barth, v.p.; Gian Carlo Bisone, v.p.-marketing Europe; Franz Egermann, v.p.-finance & administration, Europe; Kevin L. Bohren, v.p.-corp. communications; J. Steven Flannigan, v.p.-systems engineering; Michael B. Clark, v.p.-systems engineering; John M. Foster, v.p. & treasurer; H. Douglas Johns, v.p.-corp. marketing; Bernard Maniglier, v.p. & managing director, Compaq Computer S.A.R.L.; Brendan A. McLoughlin, v.p.-Western operations; Lorie Strong, v.p.-product marketing; Joseph McNally, v.p. & managing director-Compaq Computer Limited; Peter-Mark Droste, v.p.-technical support-Europe; Gregory E. Petsch, v.p.-manufacturing, CPU operations; William M. Ramsey, v.p.-manufacturing, PCB operations; Jerry G. Welch, v.p.-human resources; David J. Schempf, v.p. & corporate controller.

Directors: Benjamin M. Rosen, chairman; Joseph R. Canion, Robert Ted Enloe, III, James W. Glanville, George E. R. Kinnear, II, Kenneth L. Lay.

Areas of Work: The Company is a world leader in the manufacture of desktop, portable and laptop personal computer. It also manufactures a new class of computers called PC systems that deliver minicomputer performance at a fraction of the cost. Compaq personal computers and PC systems are sold in 66 countries through more than 3,800 Authorized COMPAQ Computer Dealers. The Company conducts its manufacturing operations at its Houston headquarters campus, as well as in Singapore, Scotland and Erskine.

Transfer agent(s):

Bank of America NT&SA
San Francisco, California

Stock Exchange(s): New York

Ticker Symbol: CPQ

Number of Employees

1990	11,400	1988	6,900
1989	9,500		

Sales & Earnings

	Net Sales	Net Income
1990	$ 3,598,768,000	$ 454,910,000
1989	2,876,062,000	333,300,000
1988	2,065,562,000	255,242,000
1987	1,224,067,000	136,267,000
1986	625,243,000	42,897,000

	No. of Com. Shares †	Earn. per Share +
1990	86,089,647	$ 5.14
1989	78,545,808	3.89
1988	77,098,443	3.15
1987	68,338,934	1.79
1986	54,089,256	0.76

† Adjusted to reflect stock split.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 1,859,013,000	$ 21.59
1989	1,171,635,000	14.92
1988	814,554,000	10.57
1987	499,532,000	5.85
1986	183,302,000	3.39

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 3,598,768	$ 2,876,062
Cost of sales	2,057,886	1,715,243
Expenses		
Res. & develop	185,726	132,474
Marketing & sales	414,167	332,592
Gen. & adm	291,893	206,129
Unreal. gain on invest in affil. co.	(34,532)	(13,691)
Other expense	42,195	18,776
Income before taxes	$ 641,433	$ 484,539
Income taxes	216,205	165,010
Eq. in inc. of affil. co.	(29,682)	(13,771)
Net Income	$ 454,910	$ 333,300

* Included in Costs and Expenses, Depreciation and Amortization: $135,305,000 in 1990 and $84,575,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & short-term invest	$ 434,700	$ 161,313
Accts. receiv., net	626,548	530,228
*Inventories	543,630	559,042
Prepaid expenses	83,054	61,916
Current Assets	$ 1,687,932	$ 1,312,499
Investment in affil. co.	123,502	58,673
#Fixed assets	892,132	705,475
Other assets	13,963	13,742
Total Assets	$ 2,717,529	$ 2,090,189

Liabilities
(000's)

Notes payable	$ —	$ 30,000
Accts. payable	292,367	253,909
Income taxes pay	50,631	20,100
Other current liabilities	300,035	259,439
Current Liabilities	$ 643,033	$ 563,448
Long-term debt	73,996	274,434
Deferred inc. taxes	141,487	80,872
+Common stock	861	785
Add. paid-in capital	595,973	363,581
Retained earnings	1,262,179	807,269
Total Liabilities & Shareholders' Equity	$ 2,717,529	$ 2,090,189

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.01 par value

Statistical Summary

% Income bef. Taxes to Sales	17.82	16.85
% Net Income to Sales	12.64	11.59
% Net Income to Equity	24.47	28.45
Sales to Inventories	6.62	5.14
Debt to Equity	0.04	0.26
Working Capital	$ 1,044,899,000	$ 749,051,000
Current Ratio	2.62	2.33
Shareholders Equity	$ 1,859,013,000	$ 1,171,635,000

Computer Automation, Inc.

1819 Firman Drive
Richardson, Texas 75081
(214) 680-9913
FAX (214) 690-1001

Officers: George Pratt, chairman, chief executive officer & secretary; William L. Osmundsen, president & chief financial officer.

Directors: Richard Bertea, George Pratt, Harold R. Frank, R.C. Mercure, Jr., Johan F. Blokker, William L. Osmundsen.

Areas of Work: Operations involve the design, manufacture, sale and service of mini/microcomputerbased products.

Subsidiaries:

Computer Automation Limited
Millfield House
Croxley Centre, Woodshots Meadow
Watford, Hertfordshire WD1 8YZ England
44-923-55011

Computer Automation Ireland Limited
Clonshaugh Industrial Estate
Coolock
Dublin 5, Ireland
353-1-471111

Talon Technology Corporation
1819 Firman Drive, Suite 137
Richardson, Texas 75081
(214) 680-9913

Manufactures high-speed data communications coprocessors, data transmission systems, ruggedized microcomputers, and facsimile subsystems for sale in the defense, petroleum and general communications industries.

Transfer Agent(s):

U.S. Stock Transfer Corp.
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CAUT (NASDAQ)

Number of Employees:

1990	280	1987	248
1989	N.A.	1986	241
1988	249		

N.A. - Not Available

Plant Footage:

1990	N.A.	1987	161,000
1989	N.A.	1986	161,000
1988	112,500 sq. ft.		

N.A. - Not Available

Sales & Earnings

	Revenues †	Net Income
1990	$ 10,204,000	$ (2,161,000)
1989	17,209,000	(6,028,000)
1988*	21,504,000	(1,294,000)
1987	20,400,000	1,419,000
1986	20,416,000	(3,851,000)

	No. of Com Shares +	Earn per Share +
1990	2,479,565	$ —
1989	2,370,579	—
1988*	2,151,080	—
1987	2,153,722	0.66
1986	2,059,025	—

(Loss)
* 53 weeks
† Of continuing operations only
+ Based on the weighted average number of shares outstanding assuming full dilution

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 945,000	$ 0.38
1989	2,144,000	0.90
1988	8,027,000	3.73
1987	7,336,000	3.41
1986	5,847,000	2.84

+ Based on the weighted average number of shares outstanding assuming fill dilution.

Income Account *

Year ended June 30	1990	1989
Revenues:		
Product	$ 8,519,000	$ 15,708,000
Service	1,685,000	1,501,000
Total revenue	$ 10,204,000	$ 17,209,000
Cost of revenues	8,226,000	10,673,000
Expenses	7,114,000	6,925,000
Interest income	(288,000)	(424,000)
Interest expense	472,000	225,000
Other income	(489,000)	(832,000)
Loss-cont. oper	$ (4,831,000)	$ (3,358,000)
Loss-discont. oper	(2,670,000)	(2,670,000)
Net Loss	$ (2,616,000)	$ (6,028,000)

* Included in Costs and Expenses, Depreciation and Amortization: $552,000 in 1990 and $536,000 in 1989.

Assets

As of June 30	1990	1989
Cash	$ 44,000	$ 78,000
Accts. receiv., net	1,907,000	2,549,000
Notes receivable	984,000	763,000
*Inventories	2,348,000	3,205,000
Prepaid expenses	211,000	159,000
Current Assets	$ 5,494,000	$ 6,754,000
# Fixed assets	337,000	582,000
Capitalized software	63,000	278,000
Notes receivable	252,000	1,159,000
Goodwill	457,000	461,000
Other assets	33,000	80,000
Total Assets	$ 6,636,000	$ 9,314,000

Liabilities

	1990	1989
Note payable	$ —	$ 965,000
Long-term debt, curr	1,462,000	—
Accts. payable	1,606,000	2,375,000
Accrued compensation	361,000	600,000
Other accruals	1,139,000	1,116,000
Other curr. liab	—	114,000
Curr. Liabilities	$ 4,568,000	$ 7,170,000
Long-term debt	1,123,000	—
+ Common stock	275,000	238,000
Add. paid-in capital	12,261,000	11,450,000
Retained earnings (def.)	(11,591,000)	(9,430,000)
Note receivable for purch of common stock	—	(114,000)
Total Liabilities & Shareholders' Equity	$ 6,636,000	$ 9,314,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1990	1989
Debt to Equity	2.74	0.45
Working Capital	$ 926,000	$ 63,000
Current Ratio	1.20	1.01
Shareholders' Equity	$ 945,000	$ 2,144,000

Computer Communications, Inc.

2610 Columbia Street
Torrance, California 90503
(213) 320-9101
FAX: (213) 533-8502

Officers: Henry D. Epstein, chairman & chief exec. officer; Raymond E. High, president & chief operating officer; Ervin K. Dorff, sr. v.p.; L. R. Trepp, v.p.-finance & secretary; Harold L. Ridout, v.p.-manufacturing; William H. Draeger, v.p.-research & development; Jesse J. Acciacca, v.p.-customer service; Thomas A. Polizzi, v.p.-marketing & sales; Jerry J. Reine, v.p.-contracts & administration.

Directors: Henry D. Epstein, chairman; Raymond E. High, Ervin K. Dorff, James D. Bowen, Phillip G. Halamandaris, David Rubinfien, Max Cohen, Arnold M. Zais.

Areas of Work: The Company designs, develops, programs, manufactures, markets and services communications computers and real-time communications software which together comprise data communications processing and control systems. The applications for which these systems are used include terminal-to-terminal message switching, terminal-to-computer transaction processing, and computer-to-computer high-speed transfer of database information.

Subsidiaries:

C.C. Systems, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Co. of California
300 South Grand Avenue
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Number of Employees:

1990	89	1987	104
1989	108	1986	127
1988	102		

Plant Footage:

1990	50,000 sq. ft.	1987	50,000
1989	50,000	1986	50,000
1988	50,000		

Sales & Earnings

	Revenues ‡	Net Income #
1990	$ 6,124,000	$ (2,982,000)
1989	9,818,000	229,000
1988	10,441,000	225,000
1987	11,045,000	1,576,000
1986	10,777,000	1,402,373

	No. of Com Shares +	Earn per Share # +
1990	8,749,000	$ —
1989	9,482,000	0.03
1988	8,970,000	0.03
1987	9,882,000	0.16
1986	8,022,000	0.17

(Loss)
‡ Of continuing operations only.
# Including extraordinary gains of $66,000 ($0.01 per share) in 1989, $75,000 ($0.01 per share) in 1988, $700,000 ($0.07 per share) in 1987 and $1,044,924 ($0.13 per share) in 1986.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 4,042,000	$ 0.46
1989	7,024,000	0.74
1988	6,795,000	0.76
1987	7,173,000 ‡	0.73
1986	3,829,141 ‡	0.48

‡ After allowing for preferred stock at par value.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1990	1989
Revenues:		
Product sales	$ 2,948,000	$ 6,520,000
Maintenance revenues	3,176,000	3,298,000
Total revenues	$ 6,124,000	$ 9,818,000
Cost of revenues	5,232,000	4,999,000
Expenses	3,564,000	4,904,000
Interest income	(79,000)	(206,000)
Other expense (income)	389,000	(118,000)
Inc. (loss) bef. taxes	$ (2,982,000)	$ 239,000
Income taxes	—	76,000
Net Income (Loss)	$ (2,982,000)	$ 163,000
Extraord. gain	—	66,000
Net Income (Loss) & extraord. gain	$ (2,982,000)	$ 229,000

* Included in Costs and Expenses, Depreciation: $239,000 in 1990 and $183,000 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 431,000	$ 2,797,000
Accts. receiv., net	794,000	1,775,000
*Inventories	1,792,000	2,072,000
Prepaid expenses	55,000	93,000
Current Assets	$ 3,072,000	$ 6,737,000
# Fixed assets	910,000	655,000
Computer software	2,685,000	766,000
Other assets	138,000	253,000
Total Assets	$ 6,805,000	$ 8,411,000

Liabilities

	1990	1989
Long-term debt, curr	$ 113,000	$ —
Accts. payable	1,141,000	376,000
Accrued compensation	490,000	586,000
Deferred maintenance rev	83,000	106,000
Other accruals	529,000	191,000
Curr. Liabilities	$ 2,356,000	$ 1,259,000

Computer Communications, Inc.

Long-term debt	241,000	—
Deferred maintenance rev	133,000	81,000
Other liabilities	33,000	47,000
+Common stock	8,749,000	8,749,000
Add paid-in capital	17,786,000	17,786,000
Deficit	(22,493,000)	(19,511,000)
Total Liabilities & Shareholders' Equity	$ 6,805,000	$ 8,411,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

% Income bef. Taxes To Revenues	—	2.43
% Net Income to Revenues	—	1.66
% Net Income to Equity	—	2.32
Debt to Equity	0.09	—
Working Capital	$ 716,000	$ 5,478,000
Current Ratio	1.30	5.35
Shareholders' Equity	$ 4,042,000	$ 7,024,000

Computer Products, Inc.

7900 Glades Road, Suite 500
Boca Raton, Florida 33434
(407) 451-1000
FAX (407) 451-1020

Officers: John N. Lemasters, chairman of the board, president & chief exec. officer; Barry Kelleher, v.p.; Donald V. Jackson, v.p.-information systems; Richard J. Thompson, v.p.-finance, chief financial officer, secretary & treasurer; David E. Swant, v.p.-human resources; Eugene L. Zuch, director of investor relations; Michael K. Poe, controller

Directors: John N. Lemasters, chairman; Bert Sager; Edward S. Croft, III; J. Earl Templeton; Stephen A. Ollendorff; Philip A. O'Reilly

Areas of Work: Designs, manufactures and markets three lines of electronic products: power conversion products for electronic equipment used in commerical, industrial and military applications requiring a precise and consistent voltage level; measurement and control hardware and software systems and components used in computer-directed process control and data acquisition applications; and custom and standard design military power supplies for the U.S. government and prime contractors who sell to the U.S. government.

Divisions and Subsidiaries:

Measurement & Control Division

Government Electronics Division
Manufactures mil spec power conversion products for the military and aerospace industries.

Power Conversion Division
Fremont, California
Manufactures and markets AC/DC open-frame and high power caseswitchers used for power conversion.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPRD (NASDAQ)

Number of Employees:

1990	1,571	1987	2,178
1989	1,759	1986	2,015
1988	1,928		

Plant Footage:

1990	591,800 sq. ft.	1987	486,000
1989	691,800	1986	556,000
1988	501,000		

Sales & Earnings

	Net Sales +	Net Income ‡
1990	$ 107,458,000	$ 5,293,000
1989	119,513,000	6,974,000
1988	123,569,000	(10,284,000)
1987	108,794,000	(12,252,000)
1986	105,319,000	(9,281,000)

	No. of Com. Shares x	Earn. per Share ‡ x
1990	20,304,000	$ 0.26
1989	20,261,000	0.34
1988	19,860,000	—
1987	19,844,000	—
1986	19,757,000	—

( ) Loss
+ Of continuing operations only
‡ Including extraordinary gains of $1,232,000 ($0.06 per share) in 1990 and $2,903,000 ($0.14 per share) in 1989.
x Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1990 (000's)	%	1989 (000's)	%
Power conversion	$ 75,698	70.4%	$ 78,356	65.5%
Measurement & control	20,039	18.7	24,836	20.8
Government electronics	11,721	10.9	16,321	13.7
Total	$ 107,458	100.0%	$ 119,513	100.0%

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 40,206,000	$ 1.98
1989	32,953,000	1.63
1988	25,692,000	1.29
1987	35,976,000	1.81
1986	48,229,000	2.44

Income Account *

Year ended	12/28/90	12/29/89
Net sales	$ 107,458,000	$ 119,513,000
Cost of sales	65,487,000	73,302,000
Expenses -	33,378,000	35,301,000
Restruc. charge	1,120,000	—
Interest expense	5,142,000	5,180,000
Interest income	(2,655,000)	(1,304,000)
Sale of property	—	(257,000)
Foreign exchange	(194,000)	(330,000)
Income bef. taxes	$ 5,180,000	$ 7,621,000
Income taxes	1,119,000	3,550,000
Net Income	$ 4,061,000	$ 4,071,000
Extraord. gain	1,232,000	2,903,000
Net Income & extraord. gain	$ 5,293,000	$ 6,974,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,745,000 in 1990 and $4,830,000 in 1989.

Assets

As of	12/28/90	12/29/89
Cash & short-term invest	$ 35,679,000	$ 25,039,000
Accts. receiv., net	18,000,000	17,741,000
*Inventories	12,404,000	18,789,000
Prepaid expense	1,738,000	1,854,000
Current Assets	$ 67,821,000	$ 63,423,000
# Fixed assets	24,515,000	26,352,000
Other assets	23,024,000	24,128,000
Total Assets	$ 115,360,000	$ 113,899,000

Liabilities

Long-term debt, curr	$ 2,536,000	$ 1,068,000
Accts payable	2,575,000	3,634,000
Accrued compensation	4,286,000	4,730,000
Accrued restruc. costs	1,259,000	883,000
Other accruals	6,509,000	8,539,000
Curr. Liabilities	$ 17,165,000	$ 18,854,000
Long-term debt	5,985,000	7,940,000
Leases payable	14,109,000	13,902,000
Subord. debentures	37,895,000	40,250,000
+Common stock	201,000	200,000
Add. paid-in capital	26,733,000	26,590,000
Retained earnings	11,557,000	6,264,000
For. curr. trans. adjust	1,715,000	—
Treasury stock	—	(101,000)
Total Liabilities & Shareholders' Equity	$ 115,360,000	$ 113,899,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.01 par value

Statistical Summary

% Income bef. Taxes to Sales	4.82	6.38
% Net Income To Sales	3.78	3.41
% Net Income to Equity	10.10	12.35
Sales to Inventories	8.66	6.36
Debt to Equity	1.15	1.49
Working Capital	$ 50,656,000	$ 44,569,000
Current Ratio	3.95	3.36
Shareholders' Equity	$ 40,206,000	$ 32,953,000

Computer Sciences Corporation

2100 E. Grand Avenue
El Segundo, California 90245
(213) 615-0311
FAX (213) 322-9805

Officers: William R. Hoover, president; Leon J. Level, v.p. & chief financial officer; Harvey N. Bernstein, v.p. & deputy general counsel; Hayward D. Fisk, v.p., general counsel & secretary; Alvin E. Nashman, v.p. & president-Systems Group; Paul J. Crowley, v.p. & president-CSC Consulting; Denis M. Crane, v.p. & controller; Lawrence Parkus, v.p.-corporate development; C. Bruce Plowman, v.p.-corporate & marketing communications; Van B. Honeycutt, v.p. & president-Industry Services Group; L. Scott Sharpe, v.p.-human resources

Directors: William R. Hoover, chairman; Felix A. Kalinski; Alvin E. Nashman; Howard P. Allen; Robert R. Dockson; Richard C. Lawton; Leon J. Level; F. Warren McFarlan

Areas of Work: Plans, designs, engineers, integrates and operates computer-based systems and communications systems. It manages client computer facilities and provides operations and maintenance services for high-technology operations. It also provides consulting, research and management education programs in the strategic use of information technology; and operates a number of proprietary services for specific industries and markets.

Principal Operating Units:

Systems Group
3160 Fairview Park Drive
Falls Church, Virginia 22042

Applied Technology Division
Falls Church, Virginia

Integrated Systems Division
Moorestown, New Jersey

System Sciences Division
Calverton, Maryland

Special Projects Division
Falls Church, Virginia

Network Systems Division
Herndon, Virginia

Industry Services Group
2100 East Grand Avenue
El Segundo, California 90245

CSC Credit Services, Inc
Houston, Texas

Health and Administrative Services Division
Lanham, Maryland

CSC Comtec, Inc
Farmington Hills, Michigan

CSC TACS Division
Los Angeles, California

CSC Consulting Group
Cambridge, Massachusetts

CSC Partners, Inc
Waltham, Massachusetts

Index Group, Inc
Cambridge, Massachusetts

Communications Industry Services
Piscataway, New Jersey

CSC Computer Sciences Europe S.A.
350/358 Avenue Louise
Brussels, Belgium

CSC Computer Sciences Nederland B.V.
Zoetermeer, The Netherlands

Computer Sciences Company Limited
London, England

CSC Computer Sciences S.A.
Frankfurt, Federal Republic of Germany

CSC Computer Sciences (Schweiz) AG
Zurich, Switzerland

Transfer Agent(s):

American Transtech
P.O. Box 44037
Jacksonville, Florida 32231-4037

Stock Exchange(s): New York, Pacific

Ticker Symbol: CSC

Number of Employees:

1990	22,000	1987	18,200
1989	21,100	1986	15,600
1988	18,300		

Plant Footage:

1990	6,330,000 sq. ft.	1988	3,500,000
1989	4,000,000		

Sales & Earnings

	Revenues	Net Income
1990	$ 1,500,443,000	$ 65,532,000
1989	1,304,414,000	52,482,000
1988	1,152,351,000	43,524,000
1987	1,031,459,000	32,243,000
1986	838,587,000	23,948,000

	No. of Com Shares ‡	Earn per Share ‡
1990	16,113,697	$ 4.07
1989	16,011,501	3.28
1988	15,957,732	2.73
1987	15,459,939	2.08
1986	14,185,964	1.69

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business
(000's)

	1990	1989
Federal government	$ 992,800	$ 921,400
Commercial	317,800	267,500
State & local gov'ts	42,500	37,100
International	147,300	78,400
Total	$ 1,500,400	$ 1,304,400

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 458,072,000	$ 28.43
1989	388,590,000	24.27
1988	332,656,000	20.85
1987	284,813,000	18.42
1986	213,853,000	15.07

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account
(000's)

Year ended	3/30/90	3/31/89
Revenues	$ 1,500,443	$ 1,304,414
Cost of services	1,230,930	1,067,189
Oper. overhead	118,594	98,885
Depreciation & amortization	34,014	31,090
Corporate expenses	20,945	19,416
Interest income	(7,187)	(4,220)
Interest expense	11,662	8,051
Gain from sale of oper	(11,686)	(1,768)
Other expense (income)	(29)	1,307
Income bef. taxes	$ 103,200	$ 84,464
Income taxes	37,668	31,982
Net Income	$ 65,532	$ 52,482

Assets
(000's)

As of	3/30/90	3/31/89
Cash & cash equiv	$ 119,228	$ 76,370
Receivables	389,540	324,186
Prepaid expenses & other curr. assets	47,747	26,969
Current Assets	$ 556,515	$ 427,525
Investments & other assets	223,270	173,261
#Fixed assets	137,956	113,816
Total Assets	$ 917,741	$ 714,602

Liabilities
(000's)

Notes payable	$ 23,101	$ 4,134
Long-term debt., curr	4,367	3,468
Accts. payable	44,382	26,891
Accrued payroll	90,996	73,017
Other accruals	60,967	33,504
Income taxes	119,382	104,007
Curr. Liabilities	$ 343,195	$ 245,021
Long-term debt	116,474	80,991
*Common stock	16,310	16,293
Add. paid-in capital	60,198	57,934
Retained earnings	385,931	320,396
For. curr. trans. adjust	1,161	118
Treasury stock	(5,528)	(6,145)
Total Liabilities & Shareholders' Equity	$ 917,741	$ 714,602

Less accumulated depreciation and amortization.
* $1 par value

Statistical Summary

% Income bef. Taxes to Revenues	6.88	6.48
% Net Income to Revenues	4.37	4.02
% Net Income to Equity	14.31	13.51
Debt to Equity	0.31	0.23
Working Capital	$ 213,320,000	$ 182,504,000
Current Ratio	1.62	1.74
Shareholders' Equity	$ 458,072,000	$ 388,590,000

Comtech Telecommunications Corp.

63 Oser Avenue
Hauppauge, New York 11788
(516) 435-4646

Officers: Fred Kornberg, chief exec. officer & president; Gerard Nocita, v.p.-finance, secretary & treasurer; Michael Javits, v.p., president-Comtech Microwave Corp.

Directors: Fred Kornberg*, chairman; George Bugliarello, Sol S. Weiner, Joe E. Davis, Richard L. Goldberg*

* Member of the Executive Committee

Areas of Work: The Company is engaged in the design, development, manufacture and installation, for commercial and government applications, of high technology communications and laboratory related equipment. Its products are chiefly used in connection with satellite, tropospheric scatter and terrestrial line-of-sight communications systems. The Company's products also have applications in electronic warfare, radar, medical, RFI/EMI instrumentation systems, and command, control and communications systems. The Company sells its products directly to end users, as well as to subcontractors and prime contractors which incorporate such produts in a full system installation, and also use the Company's products, along with the products of others, to sell and install entire communications systems on a turnkey basis.

Operating Units:

Comtech Antenna Systems, Inc
3100 Communications Road
St. Cloud, Florida 32769
(407) 892-6111

Designs and manufactures antennas, antenna feeds and related components for application in receive-only and receive-transmit satellite communications applications.

Comtech Microwave Corp
63 Oser Avenue
Hauppauge, New York 11788
(516) 435-4646

Manufactures low noise amplifiers, high power klystron amplifiers and frequency conversion systems.

Comtech Systems, Inc
3100 Communications Road
St. Cloud, Florida 32769
(407) 892-6111

Designs and manufactures communication systems and equipment primarily for international and defense applications.

Power Systems Technology, Inc
63 Oser Avenue
Hauppauge, New York 11788
(516) 435-8480

Designs and manufactures specialized state-of-the-art high power solid-state amplifiers.

Transfer Agent(s):

American Stock Transfer and Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CMTL (NASDAQ)

Number of Employees

1990	153	1989	109

Sales & Earnings

	Net Sales ‡	Net Income #
1990	$ 18,215,000	$ 784,000
1989	10,593,000	(612,000)
1988	15,770,000	2,296,000
1987	13,533,000	3,877,000
1986	8,658,000	(606,000)

	No. of Com. Shares	Earn. per Share # +
1990	6,099,221	$ 0.13
1989	6,102,787	—
1988	6,096,187	0.40
1987	4,986,787	0.79

(Loss)
‡ Of continuing operations only.
# Including extraordinary gain of $1,719,000 ($0.30 per share) in 1988.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 2,185,000	$ 0.36
1989	1,400,000	0.23
1988	2,008,000	0.33
1987	(1,394,000)	—
1986	(5,673,000)	—

(Deficiency)

Income Account *

Year ended Jul. 31	1990	1989
Net sales	$ 18,215,000	$ 10,593,000
Cost of sales	13,516,000	7,591,000
Sell., gen., & adm. exp.	3,566,000	3,697,000
Res. & prod. develop. exp.	136,000	323,000
Other expense (income)	215,000	(406,000)
Net Income (Loss)	$ 784,000	$ (612,000)

* Included in Costs and Expenses, Depreciation and Amortization: $340,000 in 1990 and $399,000 in 1989.

Assets

As of Jul. 31	1990	1989
Cash	$ 4,445,000	$ 1,476,000
Accts. receiv., net	2,855,000	2,174,000
*Inventories	2,263,000	2,047,000
Advances to subcontractors	1,104,000	—
Prepaid expenses	144,000	183,000
Current Assets	$ 10,811,000	$ 5,880,000
#Fixed assets	1,403,000	1,663,000
Other assets	1,348,000	1,261,000
Total Assets	$ 13,562,000	$ 8,804,000

Liabilities

Notes payable	$ 1,200,000	$ 1,700,000
Long-term debt, curr.	1,465,000	549,000
Accts. payable	2,464,000	1,731,000
Accruals	4,400,000	819,000
Current Liabilities	$ 9,529,000	$ 4,799,000
Long-term debt	720,000	1,675,000
Other liabilities	1,128,000	930,000
+Common stock	617,000	618,000
Add. paid-in capital	14,292,000	14,290,000
Retained earnings (deficit)	(12,544,000)	(13,328,000)
Treasury stock	(180,000)	(180,000)
Total Liabilities & Shareholders' Equity	$ 13,562,000	$ 8,804,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Net Income to Sales	4.30	—
% Net Income to Equity	35.88	—
Sales to Inventories	8.05	5.17
Debt to Equity	1.55	2.80
Working Capital	$ 1,282,000	$ 1,081,000
Current Ratio	1.13	1.23
Shareholders Equity	$ 2,185,000	$ 1,400,000

Conner Peripherals, Inc.

3081 Zanker Road
San Jose, California 95134-2128
(408) 456-4500
FAX: (408) 456-4501

Officers: Finis F. Conner, chairman of the board & chief executive officer; William J. Schroeder, vice chairman; William J. Almon, president & chief operating officer; John P. Squires, exec. v.p.-research & development; C. Scott Holt, exec. v.p.-sales & marketing; Carl W. Neun, sr. v.p.-finance & administration & chief financial officer.

Directors: Finis F. Conner, chairman; William J. Schroeder; John P. Squires; Mark S. Rossi; G. Jackson Tankersley, Jr.; William J. Almon; William S. Anderson; Peter V. Ueberroth.

Areas of Work: Designs, manufactures and markets high performance 2.5 & 3.5-inch Winchester disk drives used principally in desktop, portable laptop and notebook microcomputers based on 32-bit and higher performance 16-bit microprocessors.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: CNR

Number of Employees:

1990	9,500	1988	2,898
1989	5,000	1987	1,286

Plant Footage:

1990	1,000,000 sq. ft.	1988	682,000
1989	1,000,000	1987	216,000

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,337,593,000	$ 130,052,000
1989	704,908,000	41,449,000
1988	256,639,000	19,768,000
1987	113,236,000	11,377,000
1986	—	(4,339,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1990	51,727,000	$ 2.51
1989	37,949,000	1.09
1988	34,297,000	0.56
1987	26,450,000	0.43
1986	13,277,000	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 603,862,000	$ 11.67
1989	200,836,000	5.29
1988	105,402,000	3.07
1987	45,559,000	1.72
1986	8,042,000	0.61

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,337,593	$ 704,908
Cost of sales	1,009,382	556,094
Expenses		
Res. & develop.	62,863	39,653
Sell., gen. & adm.	92,616	46,002
Oper. profit	$ 172,732	$ 63,159
Other expense (income)	(4,209)	7,040
Income before taxes	$ 176,941	$ 56,119
Income taxes	46,889	14,670
Net Income	$ 130,052	$ 41,449

* Included in Costs and Expenses, Depreciation and Amortization: $33,952,000 in 1990 and $14,702,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 237,377	$ 103,855
Accts. receiv., net	207,487	124,512
Accts. receiv.-Compaq Computer	40,879	22,395
*Inventories	199,976	99,172
Deferred inc. taxes	10,899	6,333
Other curr. assets	24,297	9,847
Current Assets	$ 720,915	$ 366,114
#Fixed assets	158,900	98,312
Other assets	653	3,669
Total Assets	$ 880,468	$ 468,095

Liabilities
(000's)

Long-term debt, curr.	$ 4,177	$ 6,445
Accts. payable	117,337	90,550
Accruals	65,508	26,626
Curr. Liabilities	$ 183,022	$ 123,621
Long-term debt	36,731	122,893
Deferred inc. taxes	47,833	14,913
Other liabilities	4,146	3,317
Minority interest	4,874	2,515
+Common stock	405,715	132,741
Retained earnings	198,147	68,095
Total Liabilities & Shareholders' Equity	$ 880,468	$ 468,095

* At lower of standard (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	13.23	7.96
% Net Income to Sales	9.72	5.88
% Net Income to Equity	21.54	20.64
Sales to Inventories	6.69	7.11
Debt to Equity	0.07	0.64
Working Capital	$ 537,893,000	$ 242,493,000
Current Ratio	3.94	2.96
Shareholders' Equity	$ 603,862,000	$ 200,836,000

Control Data Corporation

8100 34th Avenue South
Minneapolis, Minnesota 55420
(612) 853-8100
FAX: (612) 853-5300

Mailing address:
P.O. Box 0
Minneapolis, Minnesota 55440-4700

Officers: Lawrence Perlman, president & chief executive officer; Linda J. Jadwin, v.p.-communications; Glenn W. Jeffrey, exec. v.p.-Organization Resources; Daniel R. Pennie, v.p., gen. counsel & secretary; Linda J. Jadwin, v.p.-communications; Jerry J. Johnson, v.p. & treasurer; Anthony J. Aurichio, pres.-The Arbitron Company; W. Hubert Plummer, president-Automated Wagering; Lois D. Rice, sr. v.p.-government affairs; William J. Miller, exec. v.p. & president-iformation services; Roger E. Handberg, v.p. & pres.-government systems; John R. Eickhoff, v.p. & corp. controller; Patrick M. Delaney, president-business management services; James E. Ousley, exec. v.p. & pres.-computer products

Directors: William C. Norris, Charles Marshall, Richard G. Lareau*, Ruth M. Davis, Lawrence Perlman, Allen W. Dawson, Sigmund M. Hyman, Albert D. Etcheleeu, Lois D. Rice, Richard W. Vieser

* Member of the Executive Committee

Areas of Work: Develops, manufactures and markets computers, ranging from very large to small in size, and used in education, engineering, general data processing and specialized control systems worldwide; also makes and markets industrial instruments and controls and aerospace products. Markets computer peripheral equipment, including disk drives, magnetic tape transports, printers, card readers, card punches, terminals, data entry systems, mass storage systems and computer supplies, such as disk packs and magnetic tape. Provides computer services, data services utilizing communications networks and major computer centers, processes scientific, engineering and business data.

Divisions and Subsidiaries:

Computer Systems and Services
Information Services
Data Storage Products
Government Systems

Arbitron Ratings Company
4320 Ammendale Road
Beltsville, Maryland 20705

Autocon Industries, Inc.
2200 Berkshire Lane
Minneapolis, Minnesota 55427

Laser Magnetic Storage International (49% interest)
Produces optical disk and magnetic tape data storage devices

Magnetic Peripherals Inc. (90%-owned)
Manufactures disk drives

Transfer Agent(s):

The Bank of New York
Shareholder Services Department
101 Barclay Street
New York, New York 10286

Stock Exchange(s): New York, Midwest, Pacific, Frankfurt, Lausanne, Geneva, Zurich, Basle, Amsterdam

Ticker Symbol: CDA

Number of Employees:

1990	14,500	1987	34,500
1989	18,000	1986	34,409
1988	31,500		

* Manufacturing and warehousing facilities
N.A. Not Available

Sales & Earnings

	Revenues (000's)	Net Income † (000's)
1990	$ 1,691,000	$ 2,700
1989	2,934,500	(680,400)
1988	3,628,300	1,700
1987	3,366,500	19,300
1986	3,346,700	(264,500)

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	42,517,000	$ 0.05
1989	42,256,000	—
1988	41,886,000	0.03
1987	41,505,000	0.45
1986	40,912,000	—

(Loss)
† Including extraordinary gain of $4,000,000 in 1986 and extraordinary loss of $5,700,000 ($0.14 per share) in 1987.
‡ Based on the weighted average number of common stock and common stock equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
The Arbitron Company	$ 230,600	$ 253,500
Automated Wagering/ Ticketron	126,600	160,300
Business Management Svcs	191,300	170,500
Computer Products	589,700	835,900
Data Services	84,000	106,000
Empros Systems International	38,600	93,000
Government Systems	337,000	367,400
Microgenesis	91,700	99,100
Imprimis/Data Storage Prods	—	751,000
Other	1,500	97,800
Total	$ 1,691,000	$ 2,934,500

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1990	$ 445,600	$ 10.48
1989	400,600	9.43
1988	1,043,300	24.97
1987	1,036,600	24.85
1986	980,200a	23.72

‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales & rentals	$ 724,100	$ 1,672,600
Services	966,900	1,261,900
Total revenues	$ 1,691,000	$ 2,934,500
Cost of sales & rentals	530,000	1,270,000
Cost of services	593,200	776,000
Expenses	402,400	583,800
Technical expenses	161,000	289,200
Interest expense	41,800	49,100
Other income	(65,300)	(30,000)
Restructuring loss	10,000	663,300
Inc. (loss) bef. taxes	$ 15,900	$ (666,900)
Income taxes	13,200	13,500
Net Income (Loss)	$ 2,700	$ (680,400)

* Included in Costs and Expenses, Depreciation and Amortization: $93,800,000 in 1990 and $151,200,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 242,700	$ 294,600
Payroll tax filing deposits	—	230,100
Marketable securities	108,300	—
Accts. receiv., net	389,200	483,200
*Inventories	182,000	245,000
Other curr. assets	28,700	20,700
Current Assets	$ 950,900	$ 1,273,600
Investments & advances	68,100	197,200
#Fixed assets	146,800	170,500
†Leased & data ctr. equip.	136,000	120,400
Other assets	122,100	99,000
Total Assets	$ 1,423,900	$ 1,860,700

Liabilities
(000's)

	1990	1989
Notes payable & long-term debt, curr.	$ 165,600	$ 26,200
Liab. for payroll tax filing deposits	—	230,100
Accts. payable	52,000	84,700
Cust. advances	60,800	65,000
Accrued taxes	44,400	36,400
Accrued payroll	61,500	68,800
Restruc. reserves	102,400	178,300
Other accruals	137,000	153,200
Curr. Liabilities	$ 623,700	$ 842,700
Long-term debt	192,900	352,300
Deferred inc. taxes	5,300	3,500
Restruc. reserves	88,400	171,900
Other liabilities	57,100	78,800
+Preferred stock	10,900	10,900
++Common stock	21,400	21,400
Add. paid-in capital	582,800	582,700
Retained earnings (deficit)	(159,600)	(161,800)
For. curr. trans. adjust.	8,500	(23,800)
Other equity items	(7,500)	(17,900)
Total Liabilities & Shareholders' Equity	$ 1,423,900	$ 1,860,700

* At cost (FIFO or average) not in excess of realizable values.
† Less accumulated depreciation.
# Less accumulated depreciation and amortization.
+ $100 par value, 4 1/2% cumulative.
++ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Revenues	0.94	—
% Net Income to Revenues	0.16	—
% Net Income to Equity	0.59	—
Debt to Equity	0.79	0.92
Working Capital	$ 327,200,000	$ 430,900,000
Current Ratio	1.52	1.51
Shareholders' Equity	$ 456,500,000	$ 411,500,000

Control Techniques plc

St. Giles, Newtown
Powys SY16 3AJ England

Directors: C. T. Wheatley, K. L. Briggs, K. M. Curran, M. G. Robins, J. M. James, P. A. McKeown, M. G. Robins, secretary; Jerry Hooper, group commercial director; Keith Ryan, chief exec. officer-motion control div.; Mike Gulliford, chief exec. officer-process control div.; Jan Roeland, chief exec. officer-automation div.

Areas of Work: The Company is engaged in the manufacture and sale of electronic control systems.

The Automation Division was formed from a combination of Soprel (servoamplifiers), Moore Reed (motors, encoders and resolvers), High Performance Drives (automation systems), together with Cranfield Precision Systems (CNC Control Systems). The rationale behind the new division is to allow a better sales and marketing focus in the specialized market areas of automation and machine control.

The Process Control Division is dedicated to offering its customers worldwide leading edge products and systems for controlling temperature, pressure, flow, level and material thickness — the commonly controlled parameters in industrial manufacturing processes.

The Motion Control Division has expanded its worldwide business in high volume standard products, added Control Centres to enable the company to offer comprehensive local systems engineering expertise to more customers, and developed and introduced new products and invested in new plant and technology.

USA Subsidiaries:

Control Techniques (USA) Inc
Control Techniques Inc
Warner Control Techniques

UK Subsidiaries:

Control Techniques Drives Ltd
Control Techniques North Ltd
Control Techniques South Ltd
Technodrives Ltd
Control Techniques Process Instruments Ltd
Control Techniques Process Systems Ltd
Sussex Instruments Ltd
Pyrometer Supplies & Services (Midlands) Ltd
Moore Reed Ltd
Cranfield Precision Systems Ltd

Transfer Agent(s):

Barclays Registrars

Stock Exchange(s): London

Sales & Earnings

	Net Sales	Net Income #
1990	£ 35,721,000	£ 7,433,000
1989	37,702,000	4,415,000
1988	23,119,000	2,692,000
1987	16,474,000	1,568,000
1986	9,071,000	1,263,000

	No. of Com. Shares +	Earn. per Share +
1990	22,189,486	20.0p
1989	15,475,287	16.6
1988	N.A.	13.0
1987	N.A.	8.2
1986	N.A.	8.0

£ - pound sterling
N.A. - Not Available
Before taxes
+ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990
Motion control	£11,577,000
Process control	6,790,000
Automation	17,354,000
Total	£35,721,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	6.5p	—	—
1989	5.5	—	—
1988	4.5	—	—
1987	3.75	—	—
1986	3.0	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	£ 19,613,000	88.4p
1989	19,951,000	128.9

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account °

Year ended Sept. 30	1990	1989
Net sales	£ 35,721,000	£ 37,702,000
Cost of sales	29,905,000	22,338,000
Distribution costs	743,000	1,300,000
Expenses	16,625,000	8,973,000
Other oper. income	(236,000)	(14,000)
Interest in assoc. cos.	121,000	(46,000)
Interest expense	1,130,000	736,000
Income before taxes	£ 7,433,000	£ 4,415,000
Income taxes	2,790,000	1,667,000
Minority interest	213,000	172,000
Net Income	£ 4,430,000	£ 2,576,000

° Included in Costs and Expenses, Depreciation: £ 1,584,000 in 1990 and £ 939,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	£ 9,330,000	£ 4,182,000
Accts. receiv., net	16,818,000	12,309,000
*Inventories	13,688,000	8,718,000
Current Assets	£ 39,836,000	£ 25,209,000
Investments	904,000	3,364,000
#Fixed assets	12,738,000	9,192,000
Intangibles	102,000	57,000
Total Assets	£ 53,580,000	£ 37,822,000

Liabilities

	1990	1989
Long-term debt, curr.	£ 14,079,000	£ 2,382,000
Accts. payable	8,350,000	7,124,000
Amts. owed to assoc. cos.	10,000	55,000
Income taxes	3,848,000	2,042,000
Other taxes & soc. secur.	1,091,000	953,000
Other accts. pay.	1,519,000	347,000
Finance lease oblig.	34,000	36,000
Accruals	2,577,000	2,847,000
Proposed dividend	1,056,000	750,000
Current Liabilities	£ 32,564,000	£ 16,536,000
Long-term debt	63,000	63,000
Other payables	183,000	204,000
Finance lease oblig.	—	29,000
Minority interest	1,157,000	1,037,000
+Common stock	2,427,000	2,028,000
Add. paid-in capital	22,208,000	14,123,000
Revaluation reserve	1,806,000	1,806,000
Consolidation reserve	(14,240,000)	(2,710,000)
Profit and loss acct.	7,412,000	4,706,000
Total Liabilities & Shareholders' Equity	£ 53,580,000	£ 37,822,000

* At lower of cost and net realizable value
# Less accumulated depreciation
+ 10p par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	11.34	11.71
% Net Income to Sales	7.95	6.83
% Net Income to Equity	22.59	12.91
Sales to Inventories	4.07	4.32
Debt to Equity	0.72	0.12
Working Capital	£ 7,272,000	£ 8,673,000
Current Ratio	1.22	1.52
Shareholders Equity	£ 19,613,000	£ 19,951,000

Cooper Industries, Inc.

First City Tower
1001 Fannin Street, 40th Floor
Houston, Texas 77002
(713) 739-5400
FAX: (713) 739-5555

Mailing address:
P.O. Box 4446
Houston, Texas 77210

Officers: Robert Cizik, chairman & president; Alan E. Riedel, sr. v.p.-administration; Dewain K. Cross, sr. v.p.-finance; C. Baker Cunningham, exec. v.p.-operations; H. John Riley, Jr., exec. v.p.-operations; Michael J. Sebastian, exec. v.p.-operations; Thomas W. Campbell, v.p.-public affairs; Joseph R. Coppola, sr. v.p.-manufacturing services; D. Bradley McWilliams, v.p.-taxes & real estate; Carl J. Plesnicher, Jr., v.p.-employee relations & environment affairs; Laurence H. Polsky, v.p.-personnel; Alan J. Hill, v.p. & treasurer; Donald R. Sheley, Jr., v.p. & controller; David A. White, Jr., v.p.-corp. planning & development; Diane K. Schumacher, corp. secretary; Walter F. DuPont, v.p.-information services.

Directors: Robert Cizik, chairman; Warren L. Batts, Constantine S. Nicandros, Clifford J. Grum, Harold S. Hook, Frank Olson, John D. Ong, Alan E. Riedel, Robert M. Price, A. Thomas Young.

Areas of Work: The Company is engaged in five primary areas of business: Electrical Products, Electrical Power Equipment, Tools & Hardware, Automotive Products, Petroleum and Industrial Equipment. The Electrical Products operations manufacture equipment for secondary electrical power distribution, and electronic signal transmission and control for distribution to residential, industrial and commercial users. The Electrical Power Equipment operations manufacture equipment for primary electrical power transmission and distribution to utilities and industrial end users. The operations included in the Tool & Hardware segment are leading manufacturers and marketers of high-quality, brand name tools, industrial power tools, hardware, and window coverings used by consumers, craftsmen, and industrial workers. The automotive Products segment provides a variety of automotive and aviation parts for automotive original equipment manufacturers, and for the aerospace industry. The Petroleum & Industrial Equipment operations provide a broad line of machinery and aftermarket support services to oil and natural gas drilling and compression markets, industrial users, and mining and construction industries worldwide.

Divisions and Subdivisions:

Electrical Products

Belden Division
2200 U.S. Highway 27 South
Richmond, Indiana 47374
(317) 983-5200

Bussmann Division
114 Old State Road
Ellisville, Missouri 63021
(314) 394-2877

Cooper Distribution Equipment Division
Route 660
Earlysville, Virginia 22936
(804) 973-4411

Cooper Lighting Division
400 Busse Road
Elk Grove Village, Illinois 60007-2195
(312) 956-8400

Crouse-Hinds Division
Wolf & Seventh North Street
Syracuse, New York 13221
(315) 477-7000

Tools & Hardware

Cooper Power Tools Division
670 Industrial Drive
Lexington, South Carolina 29072-1410
(803) 359-1200

Cooper Hand Tools Division
1535 Glenwood Avenue
Raleigh, North Carolina 27612
(919) 781-7200

Kirsch Division
309 North Prospect Street
Sturgis, Michigan 49091
(616) 651-0211

Automotive Products

Anco Products
900 Upton Avenue
Toledo, Ohio 43607
(419) 535-2567

Champion Aviation Products
330 Pelham Road, Suite 200
Greenville, South Carolina 29615
(803) 370-9655

Champion Spark Plug
900 Upton Avenue
Toledo, Ohio 43607
(419) 535-2567

Wagner Subsidiary
St. Louis, Mississippi

Petroleum & Industrial Equipment

Cameron Forged Products Division
22301 Hempstead Highway
Houston, Texas 77040
(713) 939-2211

Cooper Oil Tool Division
Northwest Crossing
13013 Northwest Freeway
Houston, Texas 77040-6390
(713) 939-2211

Cooper Energy Services
North Sandusky Street
Mount Vernon, Ohio 43050
(614) 393-8200

Ajax-Superior Division
1401 Sheridan Avenue
Springfield, Ohio 45505
(513) 327-4200

Cooper-Bessemer Reciprocating Products Division
Lincoln Avenue
Grove City, Pennsylvania 16127
(412) 458-8000

Cooper-Bessemer Rotating Products Division
North Sandusky Avenue
Mt. Vernon, Ohio 43050
(614) 393-8200

Gardner-Denver Mining & Construction Division
1700 Blue Hills Drive N.E.
Roanoke, Virginia 24012-8601
(703) 343-1837

Gardner-Denver Industrial Machinery Division
1800 Gardner Expressway
Quincy, Illinois 62301-4024
(217) 222-5400

Cooper Turbocompressor Division
3101 Broadway
Buffalo, New York 14225
(716) 896-6600

Transfer Agent(s):

First Chicago Trust Company of New York
P.O. Box 3981, Church Street Station
New York, New York 10008-3981

Stock Exchange(s): New York, Pacific

Ticker Symbol: CBE

Number of Employees:

1990	57,500	1987	43,200
1989	58,100	1986	40,200
1988	46,300		

Plant Footage:

1990	N.A.	1988	36,603,000
1989	36,739,000 sq. ft.	1987	35,593,000

N.A.-Not Available

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1990	$ 6,222,200	$ 361,400
1989	5,129,418	267,804
1988	4,258,275	224,362
1987	3,585,785	173,811
1986	3,433,296	147,722

	No. of Com. Shares †	Earn. per Share †
1990	110,800,000	$ 2.81
1989	105,101,000	2.51
1988	101,600,000	2.21
1987	100,214,000	1.73
1986	97,190,000	1.52

† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Electrical products	$ 1,611,000	$ 1,585,000
Electrical power equip.	681,200	696,200
Tools & hardware	906,100	864,800
Automotive prods.	1,151,200	885,700
Petroleum & industrial equip.	1,856,700	1,084,100
Other	16,000	14,600
Total	$ 6,222,200	$ 5,129,400

Common Stock

	Cash Dividend *	Stock Dividend	Stock Split
1990	$ 1.08	—	—
1989	1.00	—	—
1988	0.90	—	2-for-1
1987	0.90	—	—
1986	0.80	—	—

* Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share #
1990	$ 3,065,000	$ 21.45
1989	2,979,356	18.21
1988	1,770,777	17.47
1987	1,591,922	15.90
1986	1,418,885	14.66

‡ After allowing for preferred stock at liquidation values.
# Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1990	1989
Revenues	$ 6,222,200	$ 5,129,418
Cost of revenues	4,187,900	3,451,290
Expenses	953,000	811,944
Depreciation & amortization	238,500	188,943
Interest expense	214,200	182,597
Income before taxes	$ 628,600	$ 474,664
Income taxes	267,200	206,860
Net Income	$ 361,400	$ 267,804

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 13,500	$ 28,515
Rcvbls., net	1,114,700	1,097,269
*Inventories	1,483,600	1,451,690
Other curr. assets	295,900	221,583
Current Assets	$ 2,907,700	$ 2,799,057
#Fixed assets	1,568,000	1,647,928
Intangibles	2,609,500	2,221,569
Investments & other assets	82,300	76,402
Total Assets	$ 7,167,500	$ 6,744,956

Liabilities
(000's)

	1990	1989
Short-term debt	$ 194,900	$ 192,429
Long-term debt, curr.	93,500	64,353
Accts. payable & accruals	1,499,500	1,480,034
Income taxes	88,500	44,725
Curr. Liabilities	$ 1,866,400	$ 1,781,541
Long-term debt	1,884,400	1,829,564
Deferred inc. taxes	269,500	218,116
Other liabilities	284,500	220,147
+Series B preferred stock	—	344
++$1.60 preferred stock	11,400	6,314
+++Common stock	548,500	543,521
Add. paid-in capital	931,100	945,406
Retained earnings	1,561,400	1,364,512
Guarantee of ESOP debt	(149,900)	(169,676)
Translation component	141,200	6,367
Total Liabilities & Shareholders' Equity	$ 7,167,500	$ 6,744,956

* At lower of cost (primarily LIFO) or net realizable value.
# Less accumulated depreciation.
+ No par value; $2.50 cumulative convertible.
++ $1 par value; $1.60 convertible exchangeable.
+++ $5 par value.

Statistical Summary

% Income bef. Taxes to Sales	10.10	9.25
% Net Income to Sales	5.81	5.22
% Net Income to Equity	11.79	9.93
Sales to Inventories	4.19	3.53
Debt to Equity	0.64	0.77
Working Capital	$ 1,041,300,000	$ 1,017,516,000
Current Ratio	1.56	1.57
Shareholders' Equity	$ 3,065,700,000	$ 2,696,588,000

Corcom, Inc.

1600 Winchester Road
Libertyville, Illinois 60048
(708) 680-7400
FAX: (708) 680-8169

Officers: Werner F. Neuman, president; George J. Mitchell, chief operating officer; Charles R. Whitchurch, v.p. & treasurer; Walter Roth, secretary

Directors: Werner F. Neuman, David B. Pivan, Herbert L. Roth, Gene F. Straube, Renato Tagiuri

Areas of Work: Manufactures and markets power line interference filters which control radio frequency interference emitted by electronic equipment. The filters prevent malfunctions in electronic devices and suppress noise pollution.

Transfer Agent(s):

Harris Trust and Savings Bank
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CORC (NASDAQ)

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 29,667,000	$ (2,169,000)
1989	32,206,000	(4,440,000)
1988	32,948,000	(2,588,000)
1987	23,916,000	522,000
1986	20,476,000	(399,000)

	No. of Com. Shares	Earn. per Share ‡
1990	3,549,365	$ —
1989	3,560,206	—
1988	3,560,543	—
1987	3,558,547	0.15
1986	3,463,806	—

(Loss)
‡ Based on the average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 13,257,000	$ 3.74
1989	15,327,000	4.31
1988	19,792,000	5.56
1987	22,373,000	6.29
1986	21,553,000	6.22

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 29,667,000	$ 32,206,000
Cost of sales	22,101,000	25,015,000
Engineering expenses	1,003,000	1,437,000
Sell., adm. & other expenses	8,099,000	8,930,000
Reorganization expenses	129,000	890,000
Interest expense	497,000	380,000
Interest income	(24,000)	—
Loss before taxes	$ (2,138,000)	$ (4,446,000)
Income taxes (credit)	31,000	(6,000)
Net Loss	$ (2,169,000)	$ (4,440,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,284,000 in 1990 and $1,628,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 641,000	$ 559,000
Accts. recev., net	4,109,000	4,702,000
*Inventories	8,444,000	8,543,000
Other curr. assets	470,000	810,000
Current Assets	$ 13,664,000	$ 14,614,000
#Fixed assets	8,043,000	7,445,000
Intangibles	1,038,000	1,066,000
Total Assets	$ 22,745,000	$ 23,125,000

Liabilities

	1990	1989
Notes payable	$ 4,814,000	$ 2,988,000
Long-term debt, curr.	105,000	82,000
Accts. payable	2,011,000	1,136,000
Other accruals	1,292,000	2,451,000
Income taxes	40,000	10,000
Curr. Liabilities	$ 8,262,000	$ 6,671,000
Long-term debt	1,226,000	1,127,000
+Common stock	13,656,000	13,656,000
Retained earnings (deficit)	(473,000)	1,696,000
For. curr. trans. adjust.	90,000	(24,000)
Treasury stock	(16,000)	(1,000)
Total Liabilities & Shareholders' Equity	$ 22,745,000	$ 23,125,000

* At lower of cost (LIFO) or market. Foreign inventories at FIFO.
# Less accumulated depreciation and amortization.
+ No par value

Statistical Summary

Sales to Inventories	3.51	3.77
Debt to Equity	0.46	0.27
Working Capital	$ 5,402,000	$ 7,943,000
Current Ratio	1.65	2.19
Shareholders' Equity	$ 13,257,000	$ 15,327,000

Core Industries Inc

500 North Woodward
P.O. Box 2000
Bloomfield Hills, Michigan 48013
(313) 642-3400
FAX: (313) 642-6816

Officers: Harold M. Marko, chairman; Richard T. Walsh, president; Lawrence J. Murphy, exec. v.p.; James P. Dixon, v.p.-marketing; Matthew P. Marko, v.p.-international sales; Thomas G. Hooper, treasurer & controller; Robert W. Hoon, staff manager-audit; William A. Handelman, staff manager-systems development.

Directors: Harold M. Marko, chairman; Richard T. Walsh, Charles W. Elliott, Alan E. Schwartz, Robert G. Stone, Jr., Richard P. Kughn.

Areas of Work: A diversified company, manufacturing products within four major groups: electronics, farm equipment, fluid controls and construction products, and industrial products.

Divisions and Subsidiaries:

Electronics Group

Anderche Instrument
Lynbrook, New York
Manufactures electrical testing devices and recorders.

Antlam Electronics Corporation
Miami, Florida
Manufactures productivity-improving equipment.

Hilton Industries, Inc.
Sarasota, Florida
Manufactures tantalum capacitors and custom winding machines.

GSE, Inc.
Farmington Hills, Michigan
Manufactures load cells, torque sensors, special purpose transducers,measuring instruments and control systems.

Great Lakes-Eglinton
Bridgeport, Michigan
Special carbide tooling and gauging.

Cherokee International, Inc.
Tustin, California
Manufactures and markets a broad range of power supplies, primarily for the electronics OEM industry.

Pasar, Inc.
Denver, Colorado
Designs and manufactures electronic, hand-held wire and cable tracing instruments for the electrical industry.

FlexStar, Inc.
San Jose, California
Manufactures disk drive test equipment.

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
Fourth Floor
New York, New York 10005

National Bank of Detroit
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): New York

Ticker Symbol: CRI

Number of Employees:

1990	N.A.	1987	2,100
1989	2,950	1986	1,950
1988	2,700		

N.A.-Not Available

Plant Footage:*

1990	N.A.	1987	295,500
1989	376,000 sq. ft.	1986	200,500
1988	366,500		

* Electronics operations only
N.A.-Not Available

Sales & Earnings

	Net Sales †	Net Income
1990	$ 241,287,000	$ 3,866,000
1989	239,039,000	7,100,000
1988	208,786,000	10,212,000
1987	168,148,000	7,963,000
1986	161,513,000	6,714,000

	No. of Com. Shares	Earn. per Share ‡
1990	9,775,000	0.40
1989	9,775,000	0.73
1988	9,775,000	1.05
1987	9,770,000	0.82
1986	9,759,000	0.69

† Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990	1989
Electronics	$ 121,406,000	$ 115,140,000
Farm equipment	39,660,000	35,870,000
Fluid controls & constrn. prods	71,997,000	75,216,000
Industrial prods.	8,224,000	12,813,000
Total	$ 241,287,000	$ 239,039,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.72	—	—
1989	0.71	—	—
1988	0.67	—	—
1987	0.63	—	—
1986	0.59	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 96,458,000	$ 9.87
1989	99,630,000	10.19
1988	99,470,000	10.18
1987	96,127,000	9.84
1986	94,261,000	9.66

Income Account

Year ended Aug. 31	1990	1989
Net sales	$ 241,287,062	$ 239,039,143
Cost of sales	166,845,481	161,675,039
Expenses	54,725,731	53,671,231
Depreciation & amortization	7,799,337	7,236,843
Interest expense	6,961,173	6,425,644
Other income	(1,143,079)	(1,149,550)
Income before taxes	$ 6,096,419	$ 11,179,936
Income taxes	2,230,000	4,080,000
Net Income	$ 3,866,419	$ 7,099,936

Assets

As of Aug. 31	1990	1989
Cash	$ 1,198,345	$ 1,069,416
Accts. receiv. net	62,534,299	64,077,953
*Inventories	74,221,045	73,269,751
Prepaid expenses	3,777,774	2,969,118
Refund inc. taxes	1,431,833	
Deferred inc. taxes		286,000
Current Assets	$ 143,163,296	$ 141,672,238
#Fixed assets	34,527,474	33,695,384
Other assets	20,766,379	22,463,172
Total Assets	$ 198,457,149	$ 197,830,794

Liabilities

	1990	1989
Notes payable	$ 23,500,000	$ 19,900,000
Long-term debt, curr	1,075,000	840,000
Accts. payable	13,400,303	12,813,672
Accrued payroll	10,476,871	10,311,840
Dividends payable	1,759,535	1,759,535
Income taxes		310,951
Deferred income taxes	524,000	
Curr. Liabilities	$ 50,735,709	$ 45,935,998
Long-term debt	48,023,308	49,064,936
Deferred inc. taxes	3,240,000	3,200,000
+Common stock	11,185,356	11,185,356
Add. paid in capital	449,428	449,428
Retained earnings	91,521,182	94,692,910
Treasury stock	(6,697,834)	(6,697,834)
Total Liabilities & Shareholders' Equity	$ 198,457,149	$ 197,830,794

* At lower of cost (primarily FIFO) or market

Less accumulated depreciation

+ $1 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	2.53	4.68
% Net Income to Sales	1.60	2.97
% Net Income to Equity	4.01	7.13
Sales to Inventories	3.25	3.26
Debt to Equity	0.75	0.70
Working Capital	$ 92,427,587	$ 95,736,240
Current Ratio	2.82	3.08
Shareholders' Equity	$ 96,458,132	$ 99,629,860

Corning Incorporated

(formerly Corning Glass Works)

Houghton Park
Corning, New York 14831
(607) 974-9000
FAX: (607) 974-8150

Officers: James R. Houghton, chairman & chief executive officer; Roger G. Ackerman, president & chief operating officer; Van C. Campbell, vice chairman; David A. Duke, vice chairman; James E. Riesbeck, exec. v.p.; Richard Dulude, vice chairman; Norman E. Garrity, exec. v.p.; John W. Loose, exec. v.p.; William C. Ughetta, sr. v.p. & general counsel; Robert C. Buhrmaster, sr. v.p. & controller; Jan H. Suwinski, exec. v.p.; Richard B. Klein, v.p. & treasurer; A. John Peck, Jr., secretary

Directors: James R. Houghton, chairman; David A. Duke, Van C. Campbell, Mary L. Bundy, Edward L. Palmer, Henry Rosovsky, Robert G. Stone, Jr., Robert Barker, Richard Dulude, F. Martin Gibson, Roger G. Ackerman, Catherine A. Rein, Vernon E. Jordon, Jr., James J. O'Connor, James W. Kinnear, Gordon Gund, William D. Smithburg, John M. Hennessy

Areas of Work: Operates in four broad industry segments. Consumer products — manufactures tablewares and housewares including glass and glass-ceramic cookware for cooking, serving, and storing food, indoor plant containers, and "Steuben" lead crystal. Communications — manufactures optical fibers for use in voice, video, or data transmission, optical cable (which encloses the fiber), glass for TV picture tubes and monitors, and electronic devices. Specialty materials manufactures ceramic substrates for automatic emission-control systems, sealed-beam components and tungsten-halogen tubing for headlights, tooth-replacement ceramic, silicone products, and foam-glass insulation.

Subsidiaries:

MetPath Inc.
Teterboro, New Jersey

Corning Australia Pty. Limited
Auburn, N.S.W., Australia

Corning Asahi Video Products Company (39.4% owned)
Corning, New York

Corning International Corporation
Corning, New York

Corning Keramik GmbH & Co.KG
Kaiserslautern, West Germany

Corning Canada Inc.
Toronto, Ontario, Canada

Corning GmbH
Wiesbaden, West Germany

Corning Limited
Sunderland, England

Corning Europe Inc.
Slough, England

Corning Japan K.K.
Tokyo, Japan

Corning S.p.A.
Milan, Italy

Corning Trading (Singapore) Pte. Ltd.
Singapore

Corning France, S.A.
Avon, France

Corning Enterprises, Inc.
Corning, New York

Q.V.F. Glastechnik GmbH
Wiesbaden, West Germany

Saint-Amand Manufacturing Company Inc.
San Fernando, California

Enseco Incorporated
Somerset, New Jersey

G.H. Besselaar Associates
Princeton, New Jersey

Teddington Company Limited
Hamilton, Bermuda

Corning Brasil-Vidros Especiais Ltda.
Sao Paulo, Brazil

U.S. Precision Lens Inc.
Cincinnati, Ohio

Dow Corning Corporation (50% owned)
Midland, Michigan

Pittsburgh Corning Corporation (50% owned)
Pittsburgh, Pennsylvania

Hua-mei International Glass Engineering Company Ltd.
(50% owned)
Beijing, China

PCO Inc. (25% owned)
Chatsworth, California

Raycom Systems Inc. (42.4% owned)
Boulder, Colorado

Iwaki Glass Company, Ltd. (33.4% owned)
Tokyo, Japan

Optical Fibres (50% owned)
Clywd, Wales

Pittsburgh Corning Europe, N.V. (50% owned)
Brussels, Belgium

Samsung-Corning Company Ltd. (50% owned)
Seoul, Korea

Siecor GmbH (50% owned)
Munich, West Germany

Optical Waveguides Australia Pty. Ltd. (50% owned)
Melbourne, Australia

Siecor GmbH & Co. KG (50% owned)
Neustadt, West Germany

N-Cor Ltd. (50% owned)
Tokyo, Japan

MetriCor Inc. (50% owned)
Woodinville, Washington

Siecor Corporation (50% owned)
Hickory, North Carolina

Cormetech Inc. (50% owned)
Corning, New York

Vitri Corning GmbH & Co. KG
Muhltal, West Germany

Sicover, S.A. (45% owned)
Aniche, France

Cristalleria Aristica La Piana S.p.A. (23% owned)
Siena, Italy

Unilab Corporation (16.9% owned)
Norcross, Georgia

Hazleton Laboratories Corporation
Herndon, Virginia
Supplies life-science testing services and products

Iwaki-Corning Malaysia Ltd. (20% owned)
Jwhore Baru, Malaysia

Revere Ware Corporation
Clinton, Illinois
Manufactures stainless steel cookware

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
Corporate Agency Department
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): * New York, Zurich, Boston, Midwest, Pacific, Philadelphia. * Listed and/or traded

Ticker Symbol: GLW

Number of Employees:

1990	28,600	1987	25,500
1989	27,500	1986	25,100
1988	26,300		

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1990	$ 2,940,500	$ 292,000
1989	2,439,200	261,000
1988	2,121,500	210,700
1987	2,083,700	207,500
1986	1,943,700	181,800

	No. of Com. Shares +	Earn. per Share ‡+
1990	93,451,000	$ 3.10
1989	92,940,000	2.80
1988	89,944,000	2.34
1987	92,330,000	2.25
1986	91,308,000	1.99

‡ Including extraordinary gains of $2,900,000 ($0.03 per share) in 1990, $1,600,000 ($0.02 per share) in 1989, $2,200,000 ($0.02 per share) in 1988, $4,200,000 ($0.05 per share) in 1987 and $14,900,000 ($0.16 per share) in 1986.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Specialty materials	$ 700,300	$ 672,300
Communications	782,900	503,400
Laboratory services	730,800	580,800
Consumer products	726,500	682,700
Total	$ 2,940,500	$ 2,439,200

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.93	—	—
1989	1.05	—	—
1988	0.96	—	2-for-1
1987	0.71	—	—
1986	0.70	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1990	$ 1,850,300	$ 19.80
1989	1,711,200	18.41
1988	1,560,700	17.35
1987	1,535,700	16.63
1986	1,395,600	15.28

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split

Income Account *
(000's)

Year ended	12/30/90	12/31/89
Net sales	$ 2,940,500	$ 2,439,200
Other income	39,900	29,600
Non-oper. gains	69,200	107,100
Total income	$ 3,049,600	$ 2,575,900
Cost of sales	1,925,700	1,600,900
Expenses	706,300	601,400
Prov. for restruc. costs	—	54,400
Interest expense	54,000	44,500
Other expense	35,500	20,900
Income before taxes	$ 328,100	$ 253,800
Income taxes	136,100	116,900
Equity in earnings of assoc. companies	(107,500)	(126,700)
Minority interest	10,400	4,200
Net Income	$ 289,100	$ 259,400
Extraord. gain	2,900	1,600
Net Income & extraord. gain	$ 292,000	$ 261,000

* Included in Costs and Expenses, Depreciation and Amortization: $211,200,000 in 1990 and $171,300,000 in 1989.

Assets
(000's)

As of	12/30/90	12/31/89
Cash	$ 67,500	$ 36,500
Short-term invest.	65,500	316,300
Accts. receiv., net	527,200	452,400
*Inventories	314,500	238,500
Deferred inc. taxes & other curr. assets	123,200	125,600
Current Assets	$ 1,097,900	$ 1,169,300
Investments	804,500	826,000
⌗Fixed assets	1,351,800	1,160,600
Other assets	257,800	204,800
Total Assets	$ 3,512,000	$ 3,360,700

Liabilities
(000's)

Loans payable	$ 52,800	$ 40,400
Accts. payable	191,500	158,600
Other accruals	395,200	483,000
Curr. Liabilities	$ 639,500	$ 682,000
Other liabilities	205,900	212,500
Loans payable	611,200	624,500
Deferred invest. credits & deferred inc. taxes	72,800	53,100
Minority interest	101,600	45,800
+ Redeem. pref. stock	30,700	31,600
++ Common stock	139,600	255,500
Retained earnings	1,640,600	1,436,400
Cum. trans. adjust.	70,100	19,300
Total Liabilities & Shareholders' Equity	$ 3,512,000	$ 3,360,700

* At lower of cost (primarily LIFO) or market.
⌗ Less accumulated depreciation.
+ $100 par value, 8% cumulative convertible.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.16	10.41
%Net Income to Sales	9.83	10.63
%Net Income to Equity	15.62	15.16
Sales to Inventories	9.35	10.23
Debt to Equity	0.36	0.39
Working Capital	$ 458,400,000	$ 487,300,000
Current Ratio	1.72	1.71
Shareholders' Equity	$ 1,850,300,000	$ 1,711,200,000

CPT Corporation

8100 Mitchell Road
Eden Prairie, Minnesota 55344-9833
(612) 937-8000
FAX: (612) 937-1858

Officers: Arun K. Dube, president & chief executive officer; Gerald L. Cox, vice president; Darlene C. Gregory, vice president; Wayne Whitman, vice president; David Priebe, v.p., secretary & general counsel.

Directors: Arun K. Dube, Richard E. Eichhorn, John B. Ferris, Thomas G. Herschbach, John R. MacLennan, Mark P. Friedlander, Jr., Clifford M. Lindsey.

Areas of Work: The Company markets, sells and supports office information systems and integration services worldwide.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPTC (NASDAQ)

Number of Employees:

1990	100	1987	981
1989	201	1986	1,084
1988	638		

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 25,671,000	$ (24,737,000)
1989	63,567,000	(25,878,000)
1988	93,314,000	(18,985,000)
1987	101,293,000	(34,843,000)
1986	116,027,000	(21,500,000)

	No. of Com. Shares	Earn. per Share ‡ ⌗
1990	14,451,197	$ —
1989	14,451,197	—
1988	14,451,197	—
1987	14,401,197	—
1986	15,812,197	—

(Loss)
‡ Including extraordinary gain of $2,123,000 in 1988.
⌗ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ (13,054,000)	$ —
1989	11,591,000	0.80
1988	36,935,000	2.56
1987	56,060,000	3.89
1986	97,894,000	6.19

(Deficiency)

Income Account *
(000's)

Year ended June 30	1990	1989
Net sales	$ 25,319	$ 50,212
Rentals & maint.	352	13,355
Total revenues	$ 25,671	$ 63,567
Cost of sales	21,894	33,388
Cost of rentals & maint.	127	7,887
Expenses	10,583	28,320
Prod. develop.	4,136	8,446
Prov. for restruc.	10,921	9,456
Interest expense	2,399	1,875
Loss bef. taxes	$ (24,389)	$ (25,805)
Income taxes	348	73
Net Loss	$ (24,737)	$ (25,878)

* Included in Costs and Expenses, Depreciation and Amortization: $3,129,000 in 1990 and $4,956,000 in 1989.

Assets
(000's)

As at June 30	1990	1989
Cash & cash equiv.	$ 4,067	$ 11,136
Cash & cash equiv.-restric.	849	—
Accts. receiv., net	5,601	9,643
*Inventories	6,183	12,262
Other curr. assets	318	2,973
Current Assets	$ 17,018	$ 36,014
Note receiv.	473	2,500
⌗Rental equip. & spares	2,259	3,714
⌗Fixed assets	1,601	2,974
⌗Prop. sold & leased back	6,481	9,475
Other assets	2,539	3,333
Total Assets	$ 30,371	$ 58,010

Liabilities
(000's)

Accts. payable	$ 1,384	$ 4,361
Accrued liab.	6,783	7,383
Accrued inc. taxes	750	—
Curr. Liabilities	$ 8,917	$ 11,744

Convert subord deben	30,413	30,413
Deferred inc taxes		550
Deposit on prop sold & leased back	4,095	3,712
+Common stock	723	723
Add paid-in capital	36,574	36,574
Retained earnings (deficit)	(50,366)	(25,629)
Foreign curr trans	15	(77)
Total Liabilities & Shareholders' Equity	$ 30,371	$ 58,010

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.05 par value

Statistical Summary

Sales to Inventories	4.09	4.09
Debt to Equity	—	2.62
Working Capital	$ 8,101,000	$ 24,270,000
Current Ratio	1.91	3.07
Shareholders' Equity (Deficiency)	$ (13,054,000)	$ 11,591,000

Cray Research, Inc.

655A Lone Oak Drive
Eagan, Minnesota 55121
(612) 683-7100
FAX (612) 683-7199

Officers: John A Rollwagen, chairman of the board & chief exec officer; Lester T Davis, exec v.p.-Chippewa operations; John F Carlson, exec v.p. & chief financial officer; Andrew Scott, vice chairman & counsel; Robert H Ewald, exec v.p.-software; Edward A Masi, exec v.p.-marketing; Michael G Dickey, v.p.-international marketing; Stephen E Nelson, v.p.-technology; Franklin J Parisi, v.p.-corp communications; Irene M Qualters, v.p.-software development; Louis A Saye, v.p.-manufacturing; Peter J Shay, v.p.-customer service; Anthony A Vacca, v.p.-technology; Don F Whiting, v.p.-manufacturing & asst secretary; Richard F Morris, v.p.-technical operations; Paul W Dillingham, Jr., v.p.-government operations; Deborah E Barber, v.p.-human resources; Carl W Diem, v.p.-marketing support; Gerald M Brost, v.p.-engineering; Delvin D Eberlein, v.p.-technology; Charles Beckenridge, v.p.-Government Marketing; Michael J Lindseth, v.p. & gen mgr.-Entry Level Systems; Michael G Wilhelm, v.p. & gen mgr.-Americas & Asia/Pacific Group; Dennis J McFadden, assistant secretary; Laurence L Betterley, corp controller; David E Frasch, secretary & technology counsel; David P Dyson, asst secretary & corp counsel; Mary K McCormick, asst secretary & international counsel; Richard K Nelson, principal scientist; William L Gacki, treasurer

Directors: Lester D Davis, Francis X Driscoll, John A Rollwagen, Andrew Scott, Robert L Swiggett, Robert F Zicarelli, Livio DeSimone, Robert G Potter

Areas of Work: Engaged in the design, development and manufacture of large-scale, high-speed computing systems intended for scientific applications, and the marketing and maintenance of such systems

Subsidiaries:

Cray Research GmbH
Munich, West Germany

Cray Research Japan, Limited
Tokyo, Japan

Cray Canada, Inc
Toronto, Canada

Cray Research B.V
Rijswijk, The Netherlands

Cray Research (U K) Ltd
Bracknell, England

Cray Research France S A
Paris, France

Cray Research A B
Linkoping, Sweden

Cray Research S r l
Milan, Italy

Cray Research (Australia) Pty Ltd
Melbourne, Australia

Cray Research (Suisse) S A
Geneva, Switzerland

Cray Asia/Pacific, Inc
Taiwan

Cray Asia/Pacific, Inc
Hong Kong

Cray Research (Korea) Ltd
Seoul, Korea

Cray Research A/S
Trondheim, Norway

Cray Research, S A E
Madrid, Spain

Cray Computadores do Brasil
Rio de Janeiro, Brazil

Cray Research S P R L
Brussels, Belgium

Cray Research OY
Espoo, Finland

Cray Research (India) Ltd
New Delhi, India

Acquisition:

Supertek Computers, Inc
Designs, manufactures and sells minisupercomputer systems

Transfer Agent(s):

Norwest Bank Minnesota, N A
161 North Concord Exchange
P O Box 738
South St Paul, Minnesota 55075

Manufacturers Hanover Trust Company
40 Wall Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: CYR

Number of Employees:

1990	4,857	1987	4,308
1989	4,700	1986	3,999
1988	5,237		

Plant Footage:

1990	N A	1987	967,600
1989	N A	1986	823,800
1988	1,104,500 sq ft		

N A -Not Available

Sales & Earnings

	Revenue	Net Income
1990	$ 804,380,000	$ 112,994,000
1989	784,700,000	89,045,000
1988	756,306,000	156,631,000
1987	687,336,000	147,076,000
1986	596,685,000	124,815,000

	No of Com Shares	Earn per Share #
1990	26,163,000	$ 4.02
1989	28,152,000	3.02
1988	29,247,000	4.99
1987	30,761,000	4.65
1986	30,276,000	3.99

Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	* Equity Per Share
1990	$ 629,198,000	$ 24.05
1989 *	594,302,000	21.11
1988	676,752,000	23.14
1987	610,614,000	19.85
1986	441,856,000	14.59

Income Account *
(000's)

Year ended Dec 31	1990	1989
Net sales	$ 556,163	$ 574,667
Leased systems	79,856	72,005
Service fees	168,361	138,028
Revenues	$ 804,380	$ 784,700
Cost of sales	203,606	251,599
Cost of leased systems	48,183	42,078
Cost of services	104,582	83,219
Expenses	289,547	290,514
Other income	(9,624)	(9,977)
Income before taxes	$ 168,086	$ 127,267
Income taxes	55,092	38,222
Net Income	$ 112,994	$ 89,045

* Included in Costs and Expenses, Depreciation and Amortization $111,996,000 in 1990 and $102,180,000 in 1989

Assets
(000's)

As of Dec 31	1990	1989
Cash & temp invest	$ 66,665	$ 68,423
Accts receiv , net	117,236	179,762
*Inventories	179,952	202,746
Other curr assets	22,737	22,527
Current Assets	$ 386,590	$ 473,458
Long-term receivables	27,219	8,154
#Leased systems & spares	104,987	105,635
#Fixed assets	241,233	205,130
Investments & other assets	184,346	179,474
Total Assets	$ 944,375	$ 971,851

Liabilities
(000's)

Long-term debt, curr	$ 36,558	$ 47,457
Accts payable	38,013	35,997
Accrued expenses	79,506	70,771
Income taxes	22,806	51,351
Def income & customer adv	27,283	27,576
Curr Liabilities	$ 204,166	$ 233,152
Long-term debt	105,450	143,453
Other liabilities	5,561	944
+Common stock	31,511	31,353
Add paid-in capital	131,819	128,924
Retained earnings	707,837	594,843
Foreign curr trans adj	5,988	(311)
Invest valuation allow	(6,338)	—
Treasury stock	(241,619)	(160,507)
Total Liabilities & Shareholders' Equity	$ 944,375	$ 971,851

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

% Income bef. Taxes to Revenues	20.90	16.22
% Net Income to Revenues	14.05	11.35
% Net Income to Equity	17.96	14.98
Debt to Equity	0.23	0.32
Working Capital	$ 182,424,000	$ 240,306,000
Current Ratio	1.89	2.03
Shareholders' Equity	$ 629,198,000	$ 594,302,000

Cross & Trecker Corporation

505 North Woodward Avenue
P.O. Box 925
Bloomfield Hills, Michigan 48304
(313) 644-4343
FAX: (313) 296-4708

Officers: Norman J. Ryker, vice chairman & chief executive officer; Walter J. Aspatore, president; Johannes A. Buiteweg, v.p.-law & secretary; Donald P. Muench, treasurer; Thomas E. Neff, v.p.-human resources; Roger John Lesinski, asst. secretary & corp. attorney; Larry A. Edwards, v.p. & chief financial officer; Larry C. Helber, controller.

Directors: Thomas F. Russell, Russell A. Hedden, Edward C. Mabbs, Ralph E. Cross, John F. Daly, Norman J. Ryker, Vincent R. Little, William P. Vititoe, Kenneth R. Stephanz, John G. Bollinger.

Areas of Work: Designs and builds special metal-cutting, assembly, and testing machines and integrated manufacturing systems. Also manufactures computer numerically-controlled machining centers, milling machines and turning machines, and computer-controlled multiple-machine flexible manufacturing systems. Designs and builds automated material handling systems for the foundry and power generating industries, grinding machines, flexible fabricating and inspection machines and systems.

Operating Units:

The Cross Company
17801 East Fourteen Mile Road
Fraser, Michigan 48026
(313) 293-3000

Special machine tools and systems for mid- to high-volume, low-variety manufacturing: transfer lines, flexible transfer lines, shuttle and dial machines, assembly systems, broaching machines, feed power units, drill heads, high-speed piston turning machines, diagnostic electronics.

Cross & Trecker Credit Corporation
505 North Woodward Avenue
P.O. Box 925
Bloomfield Hills, Michigan 48013
(313) 644-4343

The Warner and Swasey Company
31700 Solon Road
Solon, Ohio 44139
(216) 349-8000

Machine tools and measurement systems: horizontal turning machines, turret lathes and grinding machines for cylindrical parts; sheet-metal cutting, forming and punching machines and systems; measurement and autometrology systems; linear bearings.

Machine Remarketing Corporation
3611 Woodburn Avenue
Cincinnati, Ohio 45212
(513) 874-0015

Marketing of used and updated machinery, including appraisals, listing, storage, financing, sales and training.

Kearney & Trecker Corporation
11000 Theodore Trecker Way
Milwaukee, Wisconsin 53214
(414) 476-8300

Produces computer-controlled machine tools and multiple-machine flexible manufacturing systems.

Cross International
United Kingdom

Cross Europa-Werk, GmbH
West Germany

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTCO (NASDAQ)

Number of Employees:

1990	3,200	1987	4,100
1989	3,900	1986	4,300
1988	4,000		

Plant Footage:

1990	2,100,000 sq. ft.	1987	2,000,000
1989	2,500,000	1986	2,500,000
1988	2,000,000		

N.A. - Not Available

Sales & Earnings

	Revenues +	Net Income
1990	$ 430,857,000	$ (7,747,000)
1989	456,689,000	(46,538,000)
1988	430,944,000	(23,590,000)
1987	423,577,000	(22,432,000)
1986	400,797,000	189,000

	No. of Com. Shares #	Earn. per Share #
1990	12,393,000	$ —
1989	12,393,000	—
1988	12,397,000	—
1987	12,415,000	—
1986	12,384,000	0.02

N.A. - Not Available
(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	0.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 107,706,000 #	$ 8.69
1989	115,362,000	9.31
1988	166,754,000	13.46
1987	187,936,000	15.28
1986	208,257,000	16.80

After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Sept. 30	1990	1989
Revenues	$ 430,857	$ 456,689
Cost of revenues	360,344	393,585
Expenses	71,453	81,440
Prov. for loss on restruc.		21,272
Other income	(625)	(5,839)
Interest expense	6,364	10,800
Loss before taxes	$ (6,679)	$ (44,569)
Income taxes	1,068	1,969
Net Loss	$ (7,747)	$ (46,538)

* Included in Cost and Expenses, Depreciation: $9,836,000 in 1990 and $12,357,000 in 1989.

Assets
(000's)

As of Sept. 30	1990	1989
Cash & cash equivs.	$ 16,542	$ 14,345
Accts. receiv.	167,054	140,160
* Inventories	72,736	93,260
Other curr. assets	4,371	34,932
Current Assets	$ 260,703	$ 282,697
# Fixed assets	54,895	55,639
Other assets	15,771	19,400
Total Assets	$ 331,369	$ 357,736

Liabilities
(000's)

	1990	1989
Short-term debt	$ 20,240	$ 2,180
Long-term debt, curr.	2,141	30,496
Accts. payable	41,967	50,307
Advance payments	5,657	1,078
Accruals	56,034	63,777
Income taxes	3,495	3,722
Curr. Liabilities	$ 129,534	$ 151,560
Long-term debt	25,849	75,300
Deferred income	6,834	7,246
Deferred taxes	7,281	8,268
+ Preferred stock	54,165	—
++ Common stock	12,393	12,456
Add. paid-in capital	23,400	24,241
Retained earnings	63,528	75,992
Cumulative translation adjustment	8,385	3,577
Treasury stock	—	(904)
Total Liabilities & Shareholders' Equity	$ 331,369	$ 357,736

* At lower of cost (primarily LIFO) or market. Remainder at FIFO or specific identification methods.
# Less accumulated depreciation.
+ $1 par value; 10% convertible exchangeable cumulative.
++ $1 par value.

Statistical Summary

Debt to Equity	0.30	0.94
Working Capital	$ 131,169,000	$ 131,137,000
Current Ratio	2.01	1.87
Shareholders' Equity	$ 161,871,000	$ 115,362,000

CTS Corporation

(37.5% owned by Dynamics Corporation of America)

905 West Boulevard North
Elkhart, Indiana 46514
(219) 293-7511
FAX: (219) 293-6146

Officers: Joseph P. Walker, chairman, president & chief exec. officer; Richard B. Patterson, v.p.-finance & chief financial officer; Duane H. Daering, v.p.-human resources; David K. Sentman, v.p.-corp. development; Jeannine M. Davis, v.p., secretary & general counsel; Philip T. Christ, v.p.; George T. Newhart, corporate controller; Larry K. Shaum, v.p.; Gary N. Hoipkemier, treasurer.

Directors: Joseph P. Walker, chairman; Gerald H. Frieling, Jr.; Andrew Lozyniak; Edward J. Mooney; Lawrence J. Ciancia.

Areas of Work: The Company is engaged in the manufacture of electronic components and subsystems (electronic components). Electronic components include production and sale of resistor networks, variable resistors, frequency control devices, electronic connectors, hybrid microcircuits, automotive control devices, switches, memory subsystems, loudspeakers and industrial electronics.

Divisions and Subsidiaries:

Electromechanical Division
1142 West Beardsley Avenue
Elkhart, Indiana 46514
(219) 523-0210

Resistor Network Division
406 Parr Road
Berne, Indiana 46711
(219) 589-3111

Microelectronics Division
1201 Cumberland Avenue
West Lafayette, Indiana 47906
(317) 463-2565

Frequency Control Division
400 Reimann Avenue
Sandwich, Illinois 60548
(815) 786-8411

Tool, Die & Machine Division
3000 Engle Road
Fort Wayne, Indiana 46809
(219) 747-0531

Brownsville Division
1100 Roosevelt Street
Brownsville, Texas 78520
(512) 546-5184

CTS of Canada, Ltd
80 Thomas Street
Streetsville, Ontario, Canada
(416) 826-1141

CTS Components Taiwan, Ltd
Central 6th Road (Chung Liu Road)
P.O. Box 26020
Kaohsiung, Taiwan

CTS Singapore Pte., Ltd
Republic of Singapore

Bentonville Division
1300 S.E. 8th Street
Bentonville, Arkansas 72712

Connector Division
9210 Science Ctr. Drive
New Hope, MN 55428
Also: Baldwin, WI & Cokato, Minnesota

CTS U.K. Ltd.
Blantyre, Scotland, United Kingdom

CTS Electronics Hong Kong, Ltd
Kowloon, Hong Kong

CTS de Mexico, S.A.
Matamovos, Mexico

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan 48226

Stock Exchange(s): New York

Ticker Symbol: CTS

Number of Employees:

1990	5,540	1987	6,642
1989	5,931	1986	6,508
1988	6,374		

Plant Footage:

1990	1,879,417 sq. ft.	1987	1,999,279
1989	1,976,579	1986	2,000,000
1988	1,999,279		

Sales & Earnings

	Net Sales +	Net Income †	No. of Com Shares ‡	Earn per Share † ‡
1990	$ 251,044,000	$ 7,340,000	5,168,688	$ 1.42
1989	261,961,000	14,253,000	5,456,192	2.61
1988	275,588,000	(3,920,000)	5,568,927	—
1987*	261,083,000	11,480,000	5,656,400	2.03
1986	245,547,000	(13,148,000)	5,654,174	—

(Loss)
* 53 weeks
+ Of continuing operations only.
† Including extraordinary gains of $1,000,000 (0.18 per share) in 1987 and $6,299,000 in 1986
‡ Based on the weighted average number of shares outstanding

Revenues by Line of Business

	1990	1989
Electronic products	$ 128,100,000	$ 130,700,000
Eletromechanical products	122,900,000	131,300,000
Total	$ 251,000,000	$ 262,000,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.750	—	—
1989	0.625	—	—
1988	0.500	—	—
1987	0.625	—	—
1986	1.000	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 122,298,000	$ 23.88
1989	124,878,000	22.85
1988	115,937,000	21.09
1987	125,512,000	22.33
1986	116,869,000	20.66

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 251,044	$ 261,961
Cost of sales	202,115	209,973
Expenses	38,051	35,945
Prov. for dispos. of operations	796	—
interest expense	1,435	1,623
Interest income	(1,260)	(1,869)
Other expense (income)	374	(1,092)
Income bef. taxes	$ 9,533	$ 17,381
Income taxes	2,193	3,128
Net Income	$ 7,340	$ 14,253

* Included in Costa and Expenses, Depreciation and Amortization $13,052,000 in 1990 and $13,396,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 13,383	$ 13,280
Accts. receiv., net	27,957	32,573
*Inventories	45,389	46,508
Other curr. assets	4,423	2,470
Current Assets	$ 91,152	$ 94,831
≠Fixed assets	53,207	54,600
Goodwill	8,081	8,642
Prepaid pension exp.	18,495	13,706
Other assets	1,580	4,805
Total Assets	$ 172,525	$ 176,584

Liabilities
(000's)

Notes payable	$ 7,750	$ 1,786
Long-term debt, curr	1,167	1,550
Accts. payable	11,119	11,218
Accrued payroll	5,178	5,372
Accrued discontinuance	2,704	5,172
Deferred income	786	2,371
Accrued taxes	1,947	2,036
Other accruals	8,451	8,409
Curr. Liabilities	$ 39,102	$ 37,914
Long-term debt	8,858	12,004
Deferred inc. taxes	2,267	1,788
+Common stock	24,230	34,279
Retained earnings	102,110	98,629
Cum. for. curr. trans	1,598	221
Treasury stock	(15,640)	(8,251)
Total Liabilities & Shareholders' Equity	$ 172,525	$ 176,584

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ No par value

Statistical Summary

% Income bef. taxes to Sales	3.80	6.63
% Net Income to Sales	2.92	5.44
% Net Income to Equity	6.00	11.41
Sales to Inventories	5.53	5.63
Debt to Equity	0.15	0.12
Working Capital	$ 52,050,000	$ 56,917,000
Current Ratio	2.31	2.50
Shareholders' Equity	$ 122,298,000	$ 124,878,000

Cubic Corporation

9333 Balboa Avenue
San Diego, California 92186-5587
(619) 277-6780
FAX: (619) 277-1878

P.O. Box 85587
San Diego, California 92138

Officers: Walter J. Zable, president, chairman of the board & chief exec. officer; Walter C. Zable, vice chairman & v.p.; William C. Stewart, Jr., v.p.-secretary & general counsel; Louis G. Dameson, Jr., v.p.-corp. planning; Raymond L. deKozan, v.p.-marketing & contracts; William J. Thompson, v.p.-development planning; Thomas A. Baz, v.p. & corp. controller; William Boyle, v.p.-finance & treasurer.

Directors: Walter J. Zable, chairman; Thomas Moran, Jackson D. Arnold, Walter C. Zable, Richard G. Duncan, Robert T. Monagan, Raymond E. Peet

Areas of Work: Designs, develops and manufactures simulation and training systems, navigational systems, surveying equipment, elevators, automated and manual fare collection systems, oil exploration equipment, welding supplies, gases, safety equipment, power-tools, radio communications equipment, and electronic medical equipment.

Divisions and Subsidiaries:

Cubic Toll Systems Division
25 Central Avenue
Teterboro, New Jersey 07608
(201) 288-9595

Smorgon Cubic Pty. Ltd
37-53 Nancarrow
Meadowbank, New South Wales, Australia

Cubic Defense Systems, Inc
9333 Balboa Avenue
San Diego, California 92123
(619) 277-6780

New York Revenue Automation
1123 Broadway
Suite 1100
New York, New York 10010
(212) 255-1810

Cubic Corporation

Cubic Communications
9233 Balboa Avenue
San Diego, California 92123
(619) 277-6780

Cubic Far East (Singapore) Pte Ltd
4 Shenton Way
#17-00 Shing Kwan House
Singapore 0106
65-223-2023

Cubic Precision/K&E Electro-Optical Products
750 Huyler Street
Teterboro, New Jersey 07608
(201) 288-6000

Westinghouse Cubic Limited
177 Nutfield Road, Merstham
Surrey RH1 3HH, England
44-73-744921

U.S. Elevator Corp
10728 U.S. Elevator Road
Spring Valley, California 92078
(619) 660-1000

Consolidated Converting Company
2601 Workman Mill Road
Whittier, California 90601
(213) 692-9421

Cubic Western Data
5650 Kearny Mesa Road
San Diego, California 92111
(619) 268-3100

Precision Systems Division
1308 South Washington Street
Tullahoma, Tennessee 37388
(615) 455-8524

Automatic Toll Systems, Inc
25 Central Avenue
Teterboro, New Jersey 07608
(201) 288-9595

Manufactures automatic and manual toll collection systems for use on highways, bridges, and tunnels.

Automatic Revenue Collection Group
5650 Kearny Mesa Road
San Diego, California 92111
(619) 268-3100

Cubic Field Services, Inc
9333 Balboa Avenue
San Diego, California 92123
(619) 277-6780

Transfer Agent(s):

Union Bank
San Diego, California

Stock Exchange(s): American

Ticker Symbol: CUB

Number of Employees:

1990	3,000	1987	4,500
1989	3,500	1986	4,512
1988	3,800		

Plant Footage:

1990	N.A.	1988	970,120
1989	1,365,000 sq. ft.		

N.A.-Not Available

Sales & Earnings

	Net Sales +	Net Income	No. of Com Shares ≠	Earn. per Share ≠
1990	$ 352,773,000	$ 23,032,000	6,932,000	$ 3.32
1989	349,397,000	21,076,000	7,216,000	2.92
1988	342,424,000	12,836,000	7,552,000	1.70
1987	336,883,000	7,932,000	7,661,000	1.04
1986	318,656,000	1,125,000	7,783,000	0.14

+ Of continuing operations only

≠ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990	1989
Electronic defense systems	$ 145,300,000	$ 153,100,000
Electronic elevator operations	117,400,000	109,700,000
Automatic revenue collection systems	64,700,000	58,500,000
Industrial operations	28,200,000	30,300,000
Corporate	4,900,000	4,500,000
Total	$ 360,500,000	$ 356,100,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.48	—	—
1989	0.42	—	—
1988	0.42	—	—
1987	0.39	—	—
1986	0.39	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 143,482,000	$ 21.41
1989	129,099,000	18.43
1988	117,887,000	15.88
1987	111,632,000	14.59
1986	108,654,000	13.97

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 352,773,000	$ 349,397,000
Interest income	3,402,000	3,227,000
Other income	4,318,000	3,456,000
Total income	$ 360,493,000	$ 356,080,000
Cost of sales	251,811,000	260,966,000
Expenses	64,930,000	61,852,000
Interest expense	5,420,000	6,409,000
Income before taxes	$ 38,332,000	$ 26,853,000
Income taxes	15,300,000	9,251,000
Inc.-cont. oper.	$ 23,032,000	$ 17,602,000
Inc.-discont. oper.	—	3,474,000
Net Income	$ 23,032,000	$ 21,076,000

* Included in Costs and Expenses, Depreciation and Amortization: $10,015,000 in 1990 and $10,939,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 50,216,000	$ 34,051,000
Marketable securities	11,350,000	8,177,000
Accts. receiv., net	112,123,000	133,032,000
*Inventories & costs of contracts in process	28,190,000	26,162,000
Deferred inc. taxes	8,614,000	10,482,000
Prepaid expenses	3,298,000	5,011,000
Current Assets	$ 213,791,000	$ 216,915,000
≠Fixed assets	23,048,000	25,948,000
Other assets	37,433,000	35,182,000
Total Assets	$ 274,272,000	$ 278,045,000

Liabilities

	1990	1989
Long-term debt, curr.	$ 7,675,000	$ 2,375,000
Accts. payable	27,642,000	23,467,000
Customer advances	30,103,000	40,038,000
Accrued payroll	9,273,000	10,280,000
Income taxes	7,675,000	2,375,000
Curr. Liabilities	$ 76,642,000	$ 83,140,000
Long-term debt	81,797,000	62,093,000
Deferred inc. taxes	1,207,000	2,499,000
Deferred comp.	1,144,000	1,214,000
+Common stock	234,000	234,000
Add. paid-in capital	12,123,000	12,123,000
Retained earnings	151,606,000	131,894,000
Treasury stock	(20,481,000)	(15,152,000)
Total Liabilities & Shareholders' Equity	$ 274,272,000	$ 278,045,000

* At lower of cost (LIFO and FIFO) or market.

≠ Less accumulated depreciation

+ No par value

Statistical Summary

	1990	1989
%Income bef. Taxes to Sales	10.87	—
%Net Income to Sales	6.53	—
%Net Income to Equity	16.05	16.33
Debt to Equity	0.41	0.50
Working Capital	$ 137,149,000	$ 133,775,000
Current Ratio	2.79	2.61
Shareholders' Equity	$ 143,482,000	$ 129,099,000

Curtiss-Wright Corporation

(44%-owned by subsidiaries of Teledyne, Inc.)

1200 Wall Street West
Lyndhurst, New Jersey 07071
(201) 896-8400
FAX (201) 438-5680

Officers: S.D. Brinsfield, chairman & chief executive officer; Charles E. Ehinger, pres. & chief operating officer; David Lasky, sr. v.p., general counsel & secretary; J. Brien Comey, v.p.; Gerald Nachman, v.p.; Robert E. Mutch, v.p.; George J. Yohrling, v.p.; Robert A. Bosi, treasurer; Kenneth P. Slezak, controller

Directors: T. Roland Berner, chairman; S. D. Brinsfield, John S. Bull, John B. Morris, Richard Dicker, Charles E. Ehinger, J. Mclain Stewart

Areas of Work: Produces and markets precision components and systems, and provides highly engineered services to three broad areas of business activity: Aerospace, Flow Control and Marine, and Industrial.

Subsidiaries:

Curtiss-Wright Flight Systems, Inc.,
501 Old Boiling Springs Road
Shelby, North Carolina 28150

Precision spring clutches, manual impact wrenches, and aircraft windshield wiper systems.

Curtiss Wright Flight Systems/Shelby, Inc
501 Old Boiling Springs Road
Shelby, North Carolina 28150

Product support of gas turbine electrical generating equipment and jet engine and reciprocating engine.

Metal Improvement Company, Inc
10 Forest Avenue
Paramus, New Jersey 07652

Shot-peening, peen-forming, composite repair and heat treating services.

Target Rock Corporation
1966 East Broadhollow Road
East Farmingdale, New York 11735

Globe, gate, control, solenoid and safety relief valves.

Curtiss-Wright of Canada, Inc.
1815 Sismet Road
Mississauga, Ontario L4W 1P9, Canada
Air compressors and distribution of small reciprocating engines

Buffalo Facility
60 Grider Street
Buffalo, New York 14215
Custom extruded shapes and seamless alloy pipe

Transfer Agent(s):

Manufacturers Hanover Trust Co.
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: CW

Number of Employees:

1990	2,013	1987	1,883
1989	2,050	1986	1,993
1988	1,900		

Plant Footage:

1990	1,046,000 sq. ft.	1987	925,000
1989	1,046,000	1986	925,000
1988	1,046,000		

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 198,884,000	$ 6,884,000
1989	187,083,000	30,413,000
1988	170,999,000	27,995,000
1987	165,064,000	31,612,000
1986	166,444,000	22,747,000

	No. of Com. Shares †	Earn. per Share ‡ †
1990	5,024,000	$ 1.37
1989	4,993,000	6.09
1988	4,979,000	5.62
1987	4,878,000	6.48
1986	4,867,000	4.67

‡ Including extraordinary gains of $2,023,000 ($0.41 per share) in 1988, $3,548,000 ($0.73 per share) in 1987 and $1,445,000 ($0.29 per share) in 1986.
† Based on the weighted average number of common shares outstanding during each year.

Revenues By Line of Business
(000's)

	1990	1989
Aerospace	$ 116,300	$ 109,100
Industrial	50,600	43,200
Flow control & marine	32,000	34,900
Total	$ 198,900	$ 187,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.30 *	—	—
1989	1.60	—	—
1988	1.60	—	—
1987	1.60	—	—
1986	1.40	—	—

* Excluding a special dividend of $30.00 per share.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 123,233,000	$ 24.53
1989	269,422,000	53.96
1988	244,159,000	49.08
1987	221,035,000	45.31
1986	196,348,000	40.34

† Based on the weighted average number of common shares outstanding during each year.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 198,884	$ 187,083
Gain on sale of real est. & equip.	9,680	13,369
Interest & div. inc.	3,501	10,898
Other income	2,255	962
Total revenues	$ 214,320	$ 212,312
Cost of sales & expenses:		
Prod. & eng.	112,841	124,970
Sell. & serv.	8,664	8,187
Adm. & gen.	39,027	39,102
Interest expense	3,406	2,766
Prov. for Wood-Ridge clean-up	21,000	—
Other expenses	2,311	—
Inc. bef. taxes	$ 7,271	$ 37,287
Income taxes	387	8,111
Cum. effect of acct. change	—	(1,237)
Net Income	$ 6,884	$ 30,413

* Included in Costs and Expenses, Depreciation and Amortization: $11,764,000 in 1990 and $11,293,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 14,299	$ 4,397
Short-term invest.	134	147,482
Accts. receiv., net	27,027	29,915
Unbilled charges	9,538	16,519
Deferred tax asset	195	—
*Inventories	35,574	36,060
Other curr. assets	6,377	3,429
Current Assets	$ 93,144	$ 237,802
≠Fixed assets	94,274	94,688
Restricted cash	9,412	—
Other assets	32,896	20,062
Total Assets	$ 229,726	$ 352,552

Liabilities
(000's)

	1990	1989
Notes payable	$ 3,000	$ 302
Accts. payable	6,603	6,391
Accruals	14,544	15,381
Income taxes	1,040	2,595
Def. inc. taxes	—	430
Employment agree. oblig.	6,796	—
Other curr. liab.	10,655	10,903
Curr. Liabilities	$ 42,638	$ 36,002
Long-term debt	27,801	28,397
Minimum pension liab.	6,703	6,059
Deferred inc. taxes	7,549	12,672
Other liabilities	22,302	—
+Common stock	10,000	10,000
Add. paid-in capital	57,510	57,777
Retained earnings	239,207	389,391
Unearned portion of restric. stock	(1,187)	(3,148)
For. curr. trans. adjust.	877	66
Treasury stock	(183,174)	(184,664)
Total Liabilities & Shareholders' Equity	$ 229,726	$ 352,552

* At lower of cost (average) or market
≠ Less accumulated depreciation
+ $1 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Revenues	3.39	17.56
% Net Income to Revenues	3.21	14.32
% Net Income to Equity	5.59	11.29
Debt to Equity	0.25	0.11
Working Capital	$ 50,506,000	$ 201,800,000
Current Ratio	2.18	6.61
Shareholders' Equity	$ 123,233,000	$ 269,422,000

Cushman Electronics, Inc.

2091 MacArthur Boulevard
Suite 225
Newport Beach, California 92660
(714) 724-1666
FAX: (714) 724-8985

Officers: John F. Bishop, chairman of the board, president & treasurer; Raymond V. White, v.p. & chief scientist; Gerald C. Tucker, v.p.-operations; Michael D. Phipps, v.p.-engineering; John D. Brennan, v.p.-chief financial officer & secretary

Directors: John F. Bishop, chairman of the board; J. Bradford Bishop; John D. Brennan; Robert D. Johnson

Areas of Work: Designs, manufactures, markets and services advanced test instruments for the worldwide radio maintenance and telecommunications industries

Transfer Agent(s):

First Interstate Bank of California
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CUSH

Number of Employees:

1990	35	1987	72
1989	35	1986	78
1988	33		

Plant Footage:

1990	10,700 sq. ft.	1987	N.A.
1989	10,700	1986	43,300
1988	10,700		

N.A. Not Available

Sales & Earnings

	Net Sales	Net Income ≠
1990	$ 4,021,000	$ (111,000)
1989	3,289,000	(475,000)
1988	4,716,000	378,000
1987	6,870,000	(1,987,000)
1986	7,746,000	(642,000)

	No. of Com Shares		Earn per Share ≠ †
1990	1,051,000	$	—
1989	1,051,000		—
1988	1,068,000		0.36
1987	1,018,000		—
1986	1,039,000		—

(Loss)

≠ Including extraordinary gains of $202,000 ($0.19 per share) in 1988 and $142,000 in 1987.

† Based on the weighted average number of shares outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	80,000	$	0.08
1989		(245,000)		—
1988		255,000		0.24
1987		(141,000)		—
1986		1,886,000		1.81

(Deficiency)

Income Account *

Year ended Sept. 30		1990		1989
Sales				
Product	$	1,231,000	$	1,324,000
Service		804,000		952,000
Customer funded contracts		1,986,000		1,013,000
Total income	$	4,021,000	$	3,289,000
Cost of sales		2,583,000		2,197,000
Expenses		1,614,000		1,627,000
Gain on discont. prod. line		(65,000)		(60,000)
Net Loss	$	(111,000)	$	(475,000)

* Included in Costs and Expenses, Depreciation: $54,000 in 990 and $48,000 in 1989.

Assets

As of Sept. 30		1990		1989
Cash	$	—	$	9,000
Accts. receiv., net		873,000		543,000
*Inventories		420,000		144,000
Prepaid expenses		88,000		58,000
Current Assets	$	1,381,000	$	754,000
≠ Fixed assets		293,000		243,000
Investment in affil.		81,000		77,000
Total Assets	$	1,755,000	$	1,074,000

Liabilities

Line of credit	$	430,000	$	285,000
Accts. payable		249,000		102,000
Costs of restructuring		30,000		96,000
Accruals		208,000		280,000
Income taxes pay.		8,000		56,000
Curr. Liabilities	$	925,000	$	819,000
Subord. debentures		750,000		500,000
+ Common stock		1,691,000		1,255,000
Retained earnings (deficit)		(1,611,000)		(1,500,000)
Total Liabilities & Shareholders' Equity	$	1,755,000	$	1,074,000

* At lower of standard cost or market.

≠ Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

Sales to Inventories		2.93		9.19
Debt to Equity		14.75		—
Working Capital	$	456,000		—
Current Ratio		1.49		—
Shareholders' Equity (Deficiency)	$	80,000	$	(245,000)

CXR Corporation

521 Charcot Avenue
San Jose, California 95131
(408) 435-8520

Officers: F. Jack Gorry, president & chief exec. officer; Henry A. Mourad, v.p., president-CXR Telcom Corporation; Jacques Moisset, exec. v.p.-European Operations, president-CXR S.A.; Ronald G. Moyer, exec. v.p.-corporate development; Thomas M. Emory, Jr., v.p., president-Digilog Inc.; Kent M. Wilkins, chief financial officer & secretary.

Directors: Raymond E. Jacobson, cheirman; F. Jack Gorry, Henry A. Mourad, Jacques Moisset, Ronald G. Moyer, Thomas M. Emory, Jr., Robert T. Campion, Gilbert Gertner, Carl H. Murray, Peter R. Pettler.

Areas of Work: CXR Corporation is a holding company with three wholly-owned subsidiaries: CXR Telcom Corporation, Digilog Inc. and CXR S.A. CXR Telcom manufactures transmission products (modems and T-1 Channel Service Units) and transmission test instruments. Digilog specializes in data communications test instruments and distributed Network Management Systems. All of the Company's products are being marketed throughout Europe under the French subsidiary, CXR S.A. CXR Corporation is committed to the task of building a broadly based telecommunicaitons company that effectively competes as a leader in selected niches of worldwide markets as a supplier of quality hardware and software based products which singularly or in combination are used to monitor, manage and test public and private wide area and local area networks of voice and data circuits. As a result of the strategic integration of diverse companies and products, CXR Corporation provides comprehensive network products to meet specific needs, such as Transmission Testing & Analysis, LAN Management and Data Network Management, while evolving an integrated solution that incorporates each individual network management product as an integrated component of CXR Integrated Management System.

Subsidiaries:

CXR S.A.
86 Avenue Lenine
94250 Gentilly
France

CXR Telcom Corporation
521 Charcot Avenue
San Jose, California 95131
(408) 435-8520

Digilog Inc.
1370 Welsh Road
Montgomeryville, Pennsylvania 18936
(215) 628-4530

Transfer Agent(s):

American Securities Transfer, Inc.
938 Quail Street, #101
Lakewood, Colorado 80215

The Bank of New York
New York, New York, 10286

Stock Exchange(s): American

Ticker Symbol: CXR

Number of Employees

1990	245	1987	233
1989	340	1986	219
1988	316		

Sales & Earnings

		Net Sales		Net Income
1990	$	32,471,000	$	(3,306,000)
1989		39,495,000		(93,000)
1988		29,432,000		1,950,000
1987		27,803,000		1,929,000
1986		20,900,000		542,000

	No. of Com Shares		Earn per Share +
1990	7,742,000	$	—
1989	7,730,000		—
1988	6,405,000		0.30
1987	6,434,000		0.31
1986	5,426,000		0.10

(Loss)

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	19,663,000	$	2.54
1989		22,652,000		2.93
1988		15,908,000		2.48
1987		14,089,000		2.19
1986		9,724,000		1.79

Income Account *
(000's)

Year ended June 30		1990		1989
Net sales	$	32,471	$	39,495
Cost of sales		18,723		23,106
Eng. & prod. develop.		3,786		3,825
Marketing & selling		6,528		7,866
Administration		4,184		4,365
Merger & rel. reorg. costs		2,963		—
Interest expense		300		321
Interest income		(161)		(220)
Other expense		259		35
Inc. (loss) bef. taxes	$	(4,111)	$	197
Income taxes (credit)		(805)		290
Net Loss	$	(3,306)	$	(93)

* Included in Costs and Expenses, Depreciation and Amortization: $2,406,000 in 1990 and $2,452,000 in 1989.

Assets
(000's)

As of June 30		1990		1989
Cash & cash equiv.	$	1,923	$	1,794
Accts. receiv., net		6,347		9,735
Note receiv. from land sale		1,041		—
Refundable taxes		936		1,324
*Inventories		9,954		9,198
Other curr. assets		318		545
Def. inc. taxes		190		370
Current Assets	$	20,709	$	22,966
≠ Fixed assets		2,386		3,190
Land held for sale		—		1,200
Software develop. cost		2,498		1,612
Intangibles		1,756		2,312
Other assets		84		157
Total Assets	$	27,433	$	31,437

Liabilities
(000's)

Accts. payable	$	2,815	$	3,112
Accrued payroll		1,039		1,395
Other accruals		804		1,090
Deferred income		163		217
Current Liabilities	$	4,821	$	5,814

Deferred compensation liab		2,073		2,101
Deferred rent		876		557
Deferred inc. taxes		—		313
•Common stock		26		26
Add. paid-in capital		19,852		19,836
Retained earnings (deficit)		(429)		2,877
Cum. trans. adjust		214		(87)
Total Liabilities & Shareholders' Equity	$	27,433	$	31,437

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
• $0.0033 par value

Statistical Summary

% Income bef. Taxes to Sales		—		0.50
Sales to Inventories		3.26		4.29
Working Capital	$	15,888,000	$	17,152,000
Current Ratio		4.30		3.95
Shareholders Equity	$	19,663,000	$	22,652,000

Daedalus Enterprises, Inc.

300 Parkland Plaza
P.O. Box 1869
Ann Arbor, Michigan 48106
(313) 769-5649
FAX (313) 769-0429

Officers: Thomas R. Ory, president & chief exec. officer; Vincent J. Killewald, treasurer; Charles G. Stanich, v.p.-research & development & chief operating officer; Lloyd A. Semple, secretary

Directors: Philip H. Power, John D. Sanders, Thomas R. Ory, Marvin R. Holter, William S. Panschar, Charles G. Stanich

Areas of Work: Manufactures remote sensing devices. The principal products are scanner systems which are installed in aircraft for acquisition of remote sensing data. These data are subsequently processed on the ground by the company's data handling equipment. The information derived from the airborne sensor and processed by the ground stations is used for monitoring and measuring water pollution; for oil, mineral and goethermal exploration; for heat budget and energy loss studies; and for the evaluation of other environmental quality related problems.

Transfer Agent(s):

Michigan National Bank
P.O. Box 1707
Grand Rapids, Michigan 49501

Stock Exchange(s): Over-the-Counter

Number of Employees:

1990	28	1987	16
1989	32	1986	29
1988	20		

Plant Footage:

1990	20,000 sq. ft.	1987	20,000
1989	20,000	1986	18,500
1988	20,000		

Sales & Earnings

		Net Sales		Net Income †	No. of Com. Shares		Earn. per Share † ‡
1990	$	5,461,476	$	687,011	564,713	$	1.07
1989		4,802,073		995,477	552,567		1.73
1988		3,397,184		424,739	547,835		0.78
1987		1,779,586		(543,912)	547,535		
1986		3,832,869		427,637	544,424		0.73

( ) Loss
† Including extraordinary gain $177,000 ($0.30 per share) in 1986
‡ Based on the average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.07		
1989	0.05		
1988	0.02		

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	3,209,834	$	5.68
1989		2,523,681		4.57
1988		1,542,490		2.82
1987		1,127,897		2.06
1986		1,662,688		3.05

Income Account *

Year ended July 31		1990		1989
Net sales	$	5,461,476	$	4,802,073
Other income		134,210		113,100
Total income	$	5,595,686	$	4,915,173
Cost of sales		2,925,787		2,776,781
Expenses		1,577,440		895,177
Interest expense		60,448		97,738
Income bef. taxes	$	1,032,011	$	1,145,477
Income taxes		345,000		150,000
Net Income	$	687,011	$	995,477

* Included in Costs and Expenses: Depreciation $166,142 in 1990 and $162,372 in 1989

Assets

As of July 31		1990		1989
Cash	$	855,789	$	132,322
Invest. in securities		—		850,000
Accts. receiv., net		473,754		524,879
Unbilled accts. receiv.		1,143,627		320,965
*Inventories		451,195		706,096
Other current assets		57,449		20,886
Current Assets	$	2,981,814	$	2,555,148
# Fixed assets		1,464,059		1,361,599
Other assets		140,320		153,431
Total Assets	$	4,586,193	$	4,070,178

Liabilities

Long-term debt, curr.	$	60,000	$	60,000
Accts. payable		219,252		91,885
Income taxes		131,322		134,233
Compensation & rel. accts.		366,387		290,743
Customer deposits		150,798		430,591
Other accruals		29,000		51,045
Curr. Liabilities	$	956,759	$	1,058,497
Long-term debt		395,000		455,000
Deferred income taxes		24,600		33,000
• Common stock		5,647		5,526
Add. paid-in capital		1,031,974		993,654
Retained earnings		2,172,213		1,524,501
Total Liabilities & Shareholders' Equity	$	4,586,193	$	4,070,178

* At lower of cost (FIFO) or market
# Less accumulated depreciation
• $0.01 par value

Statistical Summary

% Income bef. Taxes to Sales		18.90		23.85
% Net Income to Sales		12.58		20.73
% Net Income to Equity		21.40		39.45
Sales to Inventories		12.10		6.80
Debt to Equity		0.14		0.20
Working Capital	$	2,025,055	$	1,496,651
Current Ratio		3.12		2.41
Shareholders' Equity	$	3,209,834	$	2,523,681

Danaher Corporation

1250 24th Street N.W.
Washington, Washington D.C. 20037
(202) 828-0850
FAX (202) 828-0860

Officers: Steven M. Rales, chairman of the board; George M. Sherman, president & chief executive officer; Mitchell P. Rales, chairman of executive committee; Patrick W. Allender, sr. v.p., chief financial officer & secretary; George Koenigsaecker, v.p. & group executive; Ronald B. Kalich, v.p. & group executive; W. John Weinhardt, v.p. & group executive; James H. Ditkoff, v.p.-finance & tax; C. Scott Brannan, v.p. & controller; John P. Watson, general mgr.-marketing & international

Directors: Steven M. Rales, chairman; Walter G. Lohr, Jr.; Mortimer M. Caplin; Mitchell P. Rales; Donald J. Ehrlich; A. Emmet Stephenson, Jr.; George A. Kellner; George M. Sherman

Areas of Work: Manufactures automotive and transportation products, instrumentation, precision components and extruded products.

Divisions and Subsidiaries:

Automotive and Transportation

Fayette Tubular Products
Products of the Automotive and Transportation segment include automobile air conditioning components, wheel service equipment, diesel engine retarders and professional mechanics tools and equipment.

Hennessy Industries, Inc.
Matco Tools Corporation
Jacobs Manufacturing Company

Instrumentation

Veeder-Root Company
The Instrumentation segment produces and sells temperature, level and position sensing devices; liquid flow measuring devices; and mechanical, electronic and magnetic counting and controlling devices.

Dynapar Corporation
Partlow Corporation
Qualitrol Corporation

Precision Components

Holo-Krome/Allen Manufacturing
Products of the Precision Components segment include a wide range of precision screw socket screws, special fasteners, shaft collars and couplings drill chucks, connectors and other high quality miniature precision parts made primarily on Swiss screw machines. The segment also assembles and distributes construction equipment.

Iseli Company

Plastic Products

A.L. Hyde Company

Ammco Tools, Inc
Manufactures lathes used to repair brake drums

Fasco Hand Tools, Inc
Manufacturer & marketer of mechanic's hand tools

Transfer Agent(s):

Mellon Securities Trust Company
1110 Brickell Avenue, Suite 208
Miami, Florida 33131

Stock Exchange(s): New York, Pacific

Ticker Symbol: DHR

Sales & Earnings

	Net Sales +	Net Income †
1990	$ 839,972,000	$ 35,709,000
1989	749,052,000	61,117,000
1988	714,595,000	43,989,000
1987	577,995,000	18,969,000
1986	225,814,000	15,401,000

	No. of Com. Shares #	Earn. per Share † ‡
1990	28,164,427	$ 1.34
1989	23,191,967	2.57
1988	24,617,803	1.85
1987	22,808,005	0.85
1986	20,391,658	0.75

+ Of continuing operations only
† Including extraordinary gains of $4,991,000 ($0.21 per share) in 1988, $6,737,000 ($0.33 share) in 1986 and extraordinary loss of $1,072,000 ($0.05 per share) in 1987.
# Adjusted to reflect stock split
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990 (000's)	%	1989 (000's)	%
Tools	$ 368,376	43.6%	$ 231,569	30.6%
Process/environ controls	195,105	23.1	190,000	25.1
Transportation	280,272	33.1	296,074	39.2
Other	1,563	0.2	38,727	5.1
Total	$ 845,316	100.0%	$ 756,370	100.0%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 304,999,000	$ 10.83
1989	191,721,000	8.27
1988	155,746,000	6.33
1987	103,295,000	4.53
1986	65,244,000	3.20

Adjusted to reflect stock split

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 839,972	$ 749,052
Other income	5,344	7,318
Total income	$ 845,316	$ 756,370
Cost of sales	598,939	518,249
Expenses	165,477	136,883
Interest expense	18,813	22,171
Income before taxes	$ 62,087	$ 79,067
Income taxes	26,378	31,950
Inc. cont. oper.	$ 35,709	$ 47,117
Inc. discont. oper.	—	14,000
Net Income	$ 35,709	$ 61,117

* Included in Costs and Expenses, Depreciation and Amortization: $25,613,000 in 1990 and $19,145,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 585	$ 4,751
Accts. receiv., net	97,470	81,010
* Inventories	125,119	74,289
Prepaid expenses	14,210	8,752
Current Assets	$ 237,384	$ 168,802
# Fixed assets	195,821	125,195
Other assets	5,764	9,234
Exc. of cost over assets acq.	305,533	203,919
Total Assets	$ 744,502	$ 507,150

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 946	$ 688
Accts. payable	72,376	52,443
Accruals	108,061	90,817
Curr. Liabilities	$ 181,383	$ 143,948
Long-term debt	186,105	143,028
Other liab.	72,015	28,453
+ Common stock	306	246
Add. paid-in capital	273,301	184,418
Retained earnings (deficit)	63,836	28,127
For. curr. trans. adjust.	5,045	1,177
Treasury stock	(37,489)	(22,247)
Total Liabilities & Shareholders' Equity	$ 744,502	$ 507,150

* At lower of cost (LIFO) or market
# Less accumulated depreciation
+ $0.01 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	7.39	—
% Net Income to Sales	4.25	—
% Net Income to Equity	11.71	31.88
Sales to Inventories	6.71	10.08
Debt to Equity	0.61	0.75
Working Capital	$ 56,001,000	$ 24,854,000
Current Ratio	1.31	1.17
Shareholders' Equity	$ 304,999,000	$ 191,721,000

Daniel Industries, Inc.

9753 Pine Lake Drive
Houston, Texas 77055
(713) 467-6000
FAX: (713) 827-3889

Officers: W. A. Griffin, chairman of the board & chief exec. officer; Ralph H. Clemons, Jr., president & chief oper. officer; W. A. Griffin, III, v.p. & chief financial officer; W. C. Clingman, v.p.-information services; H. D. Morrison, Jr., v.p., secretary & treasurer; Michael R. Yellin, asst. secretary & asst. treasurer; Thomas L. Sivak, general counsel; Henry G. Schopfer, III, corporate controller.

Directors: W. A. Griffin, chairman of the board; Ralph H. Clemons, Joseph L. Parrish, William C. Morris, James R. Whatley, Gibson Gayle, Jr., Ronald C. Lassiter, Richard L. O'Shields, Leo E. Linbeck, Jr.

Areas of Work: The Company is engaged in providing products and systems used to measure rates of flow and accumulated volumes of fluids, primarily oil and natural gas. The Company manufactures a variety of measurement devices including orifice, turbine, positive displacement and ultrasonic meters. The Company also designs, fabricates and assembles large, automated flow measurement systems to meet specific needs and applications, as well as other systems utilized for enhanced oil recovery. The Company's flow measurement products and systems are used mainly by producers, refiners and transporters of oil and natural gas. The Company is also engaged in the manufacture and sale of alloy stud bolts and ring joint gaskets, pipeline valves, flanges and gas lift equipment.

Subsidiaries:

Daniel Automation Company

Daniel de Mexico, S.A.

Daniel Industries Foreign Sales Corporation

Daniel Industries Limited

Daniel Oil Tools Company

Daniel Valve Company

Daniel Bolt and Gasket, Inc.

Daniel EN-FAB Systems, Inc.

Daniel Flow Products, Inc.

Daniel Flange Company, Inc.

Danmasa, S.A. de C.V.

RBC Realty, Inc.

Bell Microsensors, Inc.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
Wachovia Bank and Trust Company, N.A.

Stock Exchange(s): New York

Ticker Symbol: DAN

Number of Employees

1990	1,700	1989	1,650

Plant Footage

1990	1,123,700 sq. ft.	1989	1,114,250

Sales & Earnings

	Revenues	Net Income
1990	$ 170,558,000	$ 8,112,000
1989	170,154,000	6,164,000
1988	146,949,000	(3,352,000)
1987	132,860,000	(3,285,000)
1986	122,726,000	(3,869,000)

	No. of Com. Shares +	Earn. per Share +
1990	10,372,000	$ 0.78
1989	10,287,000	0.60
1988	10,201,000	—
1987	10,171,000	—
1986	10,160,000	—

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Flow measurement	$ 101,472,000	$ 106,089,000
Energy products	67,363,000	63,630,000
Corporate	1,723,000	435,000
Total	$ 170,558,000	$ 170,154,000

Common Stock

	Cash Dividend	Stock * Dividend	Stock Split
1990	$ 0.18	—	—
1989	0.18	—	—
1988	0.18	—	—
1987	0.18	—	—
1986	0.18	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 93,684,000	$ 9.03
1989	84,692,000	8.23
1988	79,446,000	7.79
1987	84,201,000	8.28
1986	87,849,000	8.65

+ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *

Year ended Sep 30	1990	1989
Revenues	$ 170,558,000	$ 170,154,000
Cost of revenues	100,817,000	109,388,000
Expenses	54,444,000	48,050,000
Interest expense	3,039,000	3,151,000
Income before taxes	$ 12,258,000	$ 9,565,000
Income taxes	4,146,000	3,401,000
Net Income	$ 8,112,000	$ 6,164,000

* Included in Costs and Expenses, Depreciation and Amortization $5,671,000 in 1990 and $6,603,000 in 1989

Assets

As of Sep 30	1990	1989
Cash & cash equiv	$ 12,698,000	$ 10,827,000
Accts receiv , net	34,453,000	35,976,000
Costs in excess	2,763,000	558,000
*Inventories	46,669,000	39,664,000
Other curr assets	1,058,000	1,681,000
Current Assets	$ 97,641,000	$ 88,706,000
#Fixed assets	52,242,000	48,892,000
Intangibles	3,654,000	3,784,000
Invest & other assets	2,290,000	2,248,000
Total Assets	$ 155,827,000	$ 143,630,000

Liabilities

	1990	1989
Long-term debt, curr	$ 2,800,000	$ 2,800,000
Accts payable	15,566,000	12,202,000
Accruals	15,594,000	13,334,000
Current Liabilities	$ 33,960,000	$ 28,336,000
Long-term debt	23,600,000	26,400,000
Deferred inc taxes	4,583,000	4,202,000
+Common stock	13,021,000	12,942,000
Add paid-in capital	65,557,000	64,721,000
Retained earnings	14,958,000	8,713,000
Cum trans adjust	148,000	(1,684,000)
Total Liabilities & Shareholders' Equity	$ 155,827,000	$ 143,630,000

* At lower of cost or market Domestic inventories at LIFO, foreign by the average method

Less accumulated depreciation

+ $1.25 par value

Statistical Summary

% Income bef Taxes to Revenues	7.19	5.62
% Net Income to Revenues	4.76	3.62
% Net Income to Equity	8.66	7.28
Debt to Equity	0.28	0.34
Working Capital	$ 63,681,000	$ 60,370,000
Current Ratio	2.88	3.13
Shareholders Equity	$ 93,684,000	$ 84,692,000

Data-Design Laboratories

7925 Center Avenue
P.O. Box 711
Rancho Cucamonga, California 91730
(714) 987-2511
FAX (714) 989-7055

Officers: M. Peter Thomas, president & chief executive officer; Alan R. Steel, v.p.-finance, chief financial officer & treasurer; Stephen M. Andres, v.p.-administration; Richard K. Vitelle, corporate controller; Richard G. Littman, secretary

Directors: Thomas C. Beiseker, chairman; John C. Hall, M. Peter Thomas, Rockell N. Hankin, Philip H. Alspach, Arthur W. Schmutz

Areas of Work: The company is a diversified, high-technology corporation which is primarily engaged in the manufacture and assembly of advanced, multilayer printed circuit boards ("PCBs") for use in the computer, communications and instrumentation industries. A second major segment of the Company's business involves the manufacture of signal transmission equipment for cable television and other communications applications. The company also provides engineering services to the Department of Defense, and manufactures pressure gauges and related devices for use in SCUBA and life support equipment.

Divisions and Subsidiaries:

Aeroscientific Corporation
1244 S. Claudina
Anaheim, California 92805
(714) 991-9000
Manufactures printed circuit boards.

Aeroscientific Corporation
1270 N.W. 167th Avenue
Beaverton, Oregon 97006
Manufactures printed circuit boards.

Catel Telecommunications, Inc.
4050 Technology Place
Fremont, California 94537
Manufactures and markets communications equipment and analytical instruments. The signal processing equipment is used in CATV and other cable communications systems and is compatible with coaxial cable, microwave, satellite and fiber optics means of transmission.

Irlandus Circuits Limited
Craigavon, Northern Ireland
Produces printed wiring boards.

A.J. Electronics, Inc.
20945 Plummer Street
Chatsworth, California 91311
Inserts electrical components into printed wiring boards.

DDL Electronics Ltd.
Craigavon, Northern Ireland
Defense contracting.

Transfer Agent(s):

Bank of America, N.T. & S.A.
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): New York, Pacific

Ticker Symbol: DDL

Number of Employees:

1990	1,000	1987	N.A.
1989	1,350	1986	1,000
1988	1,300		

Plant Footage:

1990	428,000 sq. ft.	1987	N.A.
1989	359,000	1986	409,000
1988	367,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income ‡
1990	$ 91,243,000	$ (2,938,000)
1989	89,819,000	(12,173,000)
1988	85,294,000	7,302,000
1987	53,889,000	7,165,000
1986	47,663,000	(372,000)

	No. of Com Shares	Earn per Share ‡ #
1990	6,642,631	$ —
1989	6,632,131	—
1988	6,627,628	1.10
1987	6,546,804	1.09
1986	6,563,754	—

(Loss)

+ Of continuing operations only

‡ Including extraordinary gains of $2,997,000 ($0.45 per share) in 1990, $940,000 ($0.14 per share) in 1988 and extraordinary loss of $1,126,000 in 1989.

Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1990	1989
Electronic mfg services	$ 77,768,000	$ 77,814,000
Communications	13,232,000	11,902,000
General corporate	243,000	103,000
Total	$ 91,243,000	$ 89,819,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	0.18	—	—
1988	0.24	—	—
1987	0.24	—	—
1986	0.24	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 30,003,000	$ 4.52
1989	32,174,000	4.85
1988	39,222,000	5.92
1987	36,302,000	5.55
1986	33,375,000	5.08

Income Account *

Year ended June 30	1990	1989
Net sales	$ 91,243,000	$ 89,819,000
Cost of sales	83,154,000	76,658,000
Expenses	17,987,000	18,632,000
Dividend income	(2,691,000)	(3,596,000)
Interest expense	4,403,000	5,386,000
Gain (loss) on sale of market secur	(2,826,000)	5,877,000
Prov for loss on sale of assets	—	960,000
Loss bef taxes	$ (8,784,000)	$ (14,098,000)

Data-Design Laboratories

		1990		1989
Income taxes (credit)		225,000		(2,862,000)
Loss - cont. oper	$	(9,009,000)	$	(11,236,000)
Inc (loss) discont. oper		3,074,000		(69,000)
Net Loss	$	(5,935,000)	$	(11,305,000)
Extraord. items		2,997,000		(1,126,000)
Cum. effect of acct. change		—		258,000
Net Income (Loss) & extraord. items	$	(2,938,000)	$	(12,173,000)

• Included in Costs and Expenses, Depreciation and Amortization $5,397,000 in 1990 and $4,584,000 in 1989

Assets

As of June 30		1990		1989
Cash & cash equiv	$	1,411,000	$	3,180,000
Marketable securities		20,416,000		29,111,000
Accts. receiv., net		18,031,000		21,964,000
Inc. taxes refund		—		2,936,000
•Inventories		10,278,000		12,651,000
Prepaid expenses		382,000		430,000
Current Assets	$	50,538,000	$	70,272,000
≠Fixed assets		36,180,000		30,618,000
Other assets		8,769,000		5,710,000
Total Assets	$	95,487,000	$	106,600,000

Liabilities

		1990		1989
Long-term debt curr	$	495,000	$	695,000
Accts. payable		14,033,000		10,133,000
Accrued payroll		2,494,000		3,688,000
Accrued interest pay		1,200,000		1,504,000
Other accruals		2,975,000		1,900,000
Reserve for est. losses on contracts		—		1,597,000
Curr. Liabilities	$	21,197,000	$	19,517,000
Long-term debt		43,297,000		54,514,000
Deferred income taxes		990,000		395,000
+Common stock		2,214,000		2,211,000
Add. paid-in capital		6,494,000		6,440,000
Retained earnings		21,228,000		24,166,000
For. curr. trans. adj		67,000		(643,000)
Total Liabilities & Shareholders' Equity	$	95,487,000	$	106,600,000

• At lower of cost (FIFO) or net realizable value
≠ Less accumulated depreciation and amortization
+ $0.33 1/3 par value

Statistical Summary

		1990		1989
Sales to Inventories		8.88		7.10
Debt to Equity		1.46		1.72
Working Capital	$	29,341,000	$	50,755,000
Current Ratio		2.38		3.60
Shareholders' Equity	$	30,003,000	$	32,174,000

Data General Corporation

4400 Computer Drive
Westboro, Massachusetts 01580
(508) 366-8911
FAX: (508) 366-1319

Officers: Edson de Castro, chairman of the board; Herbert J. Richman, exec. v.p.; Ronald L. Skates, president & chief executive officer; Michael B. Evans, v.p. & chief financial officer; Stephen P. Baxter, v.p.-corp. marketing; Primus Berger, v.p. & gen. mgr.-European Operations; James P. Campbell, v.p.-corp. administration; William Cunningham, v.p.-worldwide manufacturing; Angelo Guadagno, v.p.-Americas Sales & Service; Peter Gyenes, v.p. & gen. mgr.-international; Michael Schneider, v.p.-development; Allan L. Jennings, v.p.-AViiON Development; Anthony C. Nicoletti, v.p., vice chairman, Nippon Data General; Lee Henning, v.p.-manufacturing support; David C. Ruberg, v.p.-telecommunications; J. Thomas West, sr. v.p.-advanced systems development; James J. Ryan, v.p.-information management group; Hisashi Tomino, v.p., chairman-Nippon Data General; Joel Schwartz, v.p. & gen. mgr.-ECLIPSE Business Unit; Carl E. Kaplan, secretary; Jacob Frank, v.p. & gen. counsel; Lindsay J. Yelland, v.p. & general manager; Robert C. McBride, controller; John J. Gavin, Jr., treasurer

Directors: Edson D. de Castro, Herbert J. Richman, Ronald L. Skates, Frederick R. Adler, Ferdinand Colloredo-Mansfield, John H. McArthur, Donald H. Trautlein, John G. McElwee

Areas of Work: Designs, manufactures and markets a variety of large-scale general purpose computer systems, software packages, electro-mechanical peripheral equipment, electronic controllers and interfaces and related products

Divisions:

Information Systems Division
Markets computer systems used by large organizations in commercial applications

Industry Marketing Division
Markets products for end-users, original equipment manufacturers, and systems integrators in the industrial, scientific and technical markets

Volume Products Division
Manufactures, develops and markets laptop and desktop computers, terminals, printers, and other high-volume computer products

Distribution Division
Markets company's products to small and medium-sized businesses through third-party channels of distribution

Systems Development Division
Designs and develops computer systems and sofware

Product Marketing Division
Product management, planning and marketing

Customer Service Division
Provides hardware, software and communication systems made to customers' specifications

Field Engineering Division
Maintenance, repair, and parts exchange of company's products

Federal Systems Division
Markets products, and provides a full range of systems-related services, to the U.S. Government

Telecommunications Divison
Networking development and services

Subsidiaries:

Data General Europe, Inc.
Tour Manhattan
5/6 Place de L'Iris
Paris-La Defense II 92095 France

Asia Data General Corporation
China Data General Corporation
DG Foreign Sales Corp., Inc.
Datagen, Inc.
Data General ApS
Data General Costa Rica, S.A.
Data General Latin America, Inc.
Data General New Zealand Limited
Data General OY
Data General Philippines, Inc.
Data General (Canada) Inc.
Data General Commercial Systems, Inc.
Data General International Sales Corporation
Data General Investment Corporation
Data General Limited (United Kingdom)
Data General GmbH (Germany)
Data General Gesellschaft mbH (Austria)
Data General France SARL
Data General Holland BV
Data General Australia Pty., Ltd.
Data General AB (Sweden)
Data General Israel, Ltd.
Data General Hong Kong, Ltd.
Data General A.G. (Switzerland)
Data General Ltda. (Brazil)
Data General S.A. (Belgium)
Data General C.A. (Venezuela)
Data General A/S (Norway)
Data General Thailand
Data General S.p.A. (Italy)
Data General Importing, Ltd. (New Zealand)
WSA Systems and Services, Inc.
Design Data, Inc.
Digicom, Inc.
Digital Computer Controls, Inc.
Nippon-Data General Corp. (85% owned)
Data General Singapore Pte., Ltd.
Data General Chile S.A.
Data Ggneral del Peru, S.A.
Data General Development Corp.
Data General Hong Kong Sales and Service, Ltd.
Data General de Mexico, S.A. de C.V.
Data General Ireland, Ltd.
Data General Puerto Rico, Inc.
Data General S.A. (Spain)
Data General International Manufacturing Pte., Ltd. Singapore
Data General Sociedade de Computadores Lda (Portugal)
Long Island Communications Corp.
Dama Technologies Corp.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
9th Floor
New York, New York 10007

Stock Exchange(s): New York, London, Boston*, Midwest*, Philadelphia*, Pacific*, Cincinnati* *Unlisted trading privileges

Ticker Symbol: DGN

Number of Employees:

1990	10,600	1987	15,685
1989	13,740	1986	15,565
1988	15,420		

Plant Footage:

1990	2,792,500 sq. ft.	1987	4,860,000
1989	4,144,000	1986	5,226,000
1988	4,860,000		

Sales & Earnings

	Revenue	Net Income ‡
1990	$ 1,216,401,000	$ (139,775,000)
1989*	1,314,395,000	(119,730,000)
1988	1,364,734,000	(15,537,000)
1987	1,274,348,000	(123,665,000)
1986	1,267,959,000	(28,980,000)

	No. of Com. Shares ≠	Earn. per Share ‡ ≠
1990	30,047,000	$ —
1989*	29,213,000	—
1988	28,015,000	—
1987	26,964,000	—
1986	27,057,000	—

( ) Loss
* 53 weeks
‡ Including extraordinary losses of $44,158,000 in 1987 and $34,720,000 in 1986
≠ Based on the average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 405,492,000	$ 13.50
1989	522,126,000	17.87
1988	611,921,000	21.84
1987	588,243,000	21.82
1986	682,628,000	25.23

‡ Based on the average number of common shares and common share equivalents outstanding

Income Account *
(000's)

Year ended		9/29/90		9/30/89
Revenues				
Product	$	784,647	$	875,474
Service		431,754		438,921
Total revenues	$	1,216,401	$	1,314,395
Cost of revenues		692,015		722,084
Expenses		585,326		639,676
Restruc. charge		71,700		80,000
Gain on sale of facilities		—		(14,857)
Interest expense		10,648		11,293
Interest income		(6,743)		(9,871)
Loss bef. taxes	$	(136,545)	$	(113,930)
Income taxes		3,230		5,800
Net Loss	$	(139,775)	$	(119,730)

* Included in Costs and Expenses, Depreciation $96,284,000 in 1990 and $101,544,000 in 1989.

Assets
(000's)

As of		9/29/90		9/30/89
Cash & temp. cash invest.	$	74,792	$	128,906
Accts. receiv., net		292,137		316,939
*Inventories		179,715		208,980
Other curr. assets		48,958		55,163
Current Assets	$	595,602	$	709,988
Notes receiv.-rel. parties		13,648		13,872
≠Fixed assets		269,273		291,699
Other assets		30,914		24,606
Total Assets	$	909,437	$	1,040,165

Liabilities
(000's)

Notes payable	$	63,331	$	67,067
Accts. payable		94,164		93,644
Other curr. liabilities		286,519		281,780
Curr. Liabilities	$	444,014	$	442,491
Long-term debt		56,918		70,748
Deferred service revenue		3,013		4,800
+Common stock		379,304		361,031
Notes receiv.-rel. parties		(1,044)		(2,093)
Retained earnings		8,120		147,895
Cum. trans. adjust.		19,112		15,293
Total Liabilities & Shareholders' Equity	$	909,437	$	1,040,165

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Debt to Equity		0.30		0.26
Working Capital	$	151,588,000	$	267,497,000
Current Ratio		1.34		1.60
Shareholders' Equity	$	405,492,000	$	522,126,000

Datapoint Corporation

9725 Datapoint Drive
San Antonio, Texas 78284
(512) 699-7000
FAX: (512) 699-7472

Officers: Asher B. Edelman, chairman of the board; Michael M. Michigami, pres. & chief exec. officer; Brian Gifford, v.p. - Northern Europe; Yvon Y. Le Roux, v.p. - Southern Europe; G. Ross Laughead, v.p., general counsel & corp. secretary; Kenneth R. Kamp, v.p. & chief financial officer.

Directors: Asher B. Edelman, chairman of the board; Michael M. Michigami; Doris D. Bencsik; Raymond French; Daniel R. Kail; Clark R. Mandigo; Dwight D. Sutherland.

Areas of Work: Develops, manufactures and markets a range of office and computer products and systems, including local area networks, multifunction workstations, and diverse computing and office automation systems, for sale and lease worldwide. Datapoint's Attached Resource Computer (ARC) local area network provides the means for interconnection of multifunction workstations, processors and peripherals to form an integrated information processing system in an office environment.

Subsidiaries:

Datapoint-FSC, Inc.
9725 Datapoint Drive
San Antonio, Texas 78284

Datapoint Belgium S.A.
Brussels, Belgium

Datapoint Corporation Pty. Ltd.
Sydney, Australia

Datapoint do Brasil
Rio de Janeiro, Brazil

Datapoint Canada, Inc.
Toronto, Canada

Datapoint (U.K.) Ltd.
London, England

Datapoint Oy
Helsinki, Finland

Datapoint MATRA Informatique, S.A.
Paris, France

Datapoint Deutschland GmbH
Frankfurt, West Germany

Datapoint Nederland B.V.
Gouda, The Netherlands

Datapoint Corporation (N.Z.) Ltd.
Wellington, New Zealand

Datapoint Iberica S.A.
Madrid, Spain

Datapoint Italia, S.P.A.
Milan, Italy

Datapoint (Schweiz) AG
Zurich, Switzerland

Datapoint Svenska AB
Stockholm, Sweden

Transfer Agent(s):

First City Texas-Houston
P.O. Box 809
Houston, Texas 77001

Stock Exchange(s): New York

Ticker Symbol: DPT

Number of Employees:

1990	1,810	1987	2,749
1989	2,451	1986	3,621
1988	2,693		

Sales & Earnings

		Revenues		Net Income †
1990	$	267,311,000	$	(82,819,000)
1989		312,549,000		(29,236,000)
1988		330,827,000		7,997,000
1987		312,090,000		(57,770,000)
1986		325,227,000		(8,558,000)

	No. of Com. Shares ‡		Earn. per Share † ‡
1990	10,118,681	$	—
1989	10,080,612		—
1988	10,048,519		—
1987	12,863,549		—
1986	17,977,621		—

(Loss)
† Including extraordinary gains of $5,993,000 ($0.59 per share) in 1990, $345,000 ($0.03 per share) in 1989, $3,714,000 ($0.37 per share) in 1988, $716,000 ($0.05 per share) in 1987 and $6,847,000 ($0.38 per share) in 1986.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	(8,869,000) *	$	—
1989		61,693,000 *		6.12
1988		108,194,000 *		10.77
1987		105,894,000 *		8.23
1986		233,265,000		12.98

(Deficiency)
* After allowing for preferred stock at liquidation value.
‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended July 31		1990		1989
Net sales	$	156,160	$	198,204
Service & lease		111,151		114,345
Total revenue	$	267,311	$	312,549
Cost of revenue		174,430		196,550
Expenses		150,015		136,008
Invest. expense (income)		6,926		(3,339)
Interest expense		11,737		12,091
Other expense (income)		7,027		(135)
Loss bef. taxes	$	(82,824)	$	(28,626)
Income taxes		5,988		955
Net Loss	$	(88,812)	$	(29,581)
Extraord. gain		5,993		345
Net Loss & extraord. gain	$	(82,819)	$	(29,236)

* Included in Costs and Expenses, Depreciation and Amortization: $28,453,000 in 1990 and $28,932,000 in 1989.

Assets
(000's)

As of July 31		1990		1989
Cash & cash equiv.	$	29,236	$	22,166
Marketable securities		2,426		16,875
Restricted market. secur.		—		23,443
Accts. receiv., net		63,531		67,765
*Inventories		21,777		28,987
Prepaid expenses		3,498		4,250
Current Assets	$	120,468	$	163,486
≠Fixed assets		36,723		47,819
Exc. of cost over assets acq.		68,336		85,010
Cap. software for resale		3,703		18,205
Other assets		17,670		15,483
Total Assets	$	246,900	$	330,003

Liabilities
(000's)

Notes payable	$	4,878	$	9,481
Long-term debt, curr		8,199		21,321
Accts payable		19,463		19,153
Accruals		53,044		41,693
Deferred revenue		10,329		9,389
Income taxes payable		3,392		5,279
Curr Liabilities	$	99,305	$	106,316
Long-term debt		73,371		81,213
Other liabilities		9,707		7,395
+ Preferred stock		2,000		2,000
++ Common Stock		5,276		5,275
Add paid-in capital		257,908		257,798
For currency trans adjust		—13,838		(712)
Retained earnings (deficit)		(112,881)		(27,677)
Treasury stock		(101,624)		(101,605)
Total Liabilities & Shareholders Equity	$	246,900	$	330,003

* At lower of standard cost or market
# Less accumulated depreciation
+ $1 par value; $4.94 cumulative exchangeable
++ $0.25 par value

Statistical Summary

Sales to Inventories		7.17		6.84
Debt to Equity		1.34		0.83
Working Capital	$	21,163,000	$	57,170,000
Current Ratio		1.21		1.54
Shareholders Equity	$	64,517,000	$	135,079,000

Dataram Corporation

Princeton Road
West Windsor Township, New Jersey 08543-7528
(609) 799-0071
FAX: (609) 799-6734

Officers: Raymond P. Von Culin, chairman of the board; Robert V. Tarantino, president & chief exec. officer; Thomas J. Bitar, secretary; Frank Kardashian, v.p.-finance, treasurer & asst. secretary; Luis E. Don, v.p.-manufacturing.

Directors: Raymond P. Von Culin, chairman; Richard Holzman, John Cahill, Robert V. Tarantino.

Areas of Work: Develops, manufactures and markets computer memory and peripheral products in order to increase the value, and improve the performance of minicomputers, microcomputers and workstations.

Subsidiary:

Dataram International Sales Corporation

Transfer Agent(s):

First Fidelity Bank, N.A., New Jersey
Stock Transfer Dept.
P.O. Box 1309
Newark, New Jersey 07101

Stock Exchange(s): American

Ticker Symbol: DTM

Number of Employees:

1990	120	1987	119
1989	88	1986	109
1988	91		

Plant Footage:

1990	53,000 sq. ft.	1987	55,000
1989	53,000	1986	55,000
1988	55,000		

Sales & Earnings

		Net Sales		Net Income
1990	$	20,154,000	$	2,522,000
1989		14,378,000		1,537,000
1988		13,482,000		312,000
1987		15,253,000		974,000
1986		17,458,000		4,183,000

	No. of Com. Shares ‡		Earn. per Share ‡
1990	1,765,498	$	1.43
1989	1,918,509		0.80
1988	1,971,456		0.16
1987	2,033,220		0.48
1986	2,020,228		2.07

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	10,661,000	$	6.04
1989		15,249,000		7.95
1988		13,588,000		6.89
1987		13,852,000		6.81
1986		12,777,000		6.32

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended April 30		1990		1989
Revenues	$	20,154,000	$	14,378,000
Cost of sales		10,708,000		7,704,000
Expenses		6,533,000		5,166,000
Interest income		(120,000)		(72,000)
Interest expense		25,000		22,000
Other income		(740,000)		(653,000)
Inc bef taxes	$	3,748,000	$	2,211,000
Income taxes		1,226,000		674,000
Net Income	$	2,522,000	$	1,537,000

* Included in Costs and Expenses, Depreciation and Amortization: $170,000 in 1990 and $167,000 in 1989.

Assets

As of April 30		1990		1989
Cash & cash equiv	$	4,586,000	$	10,429,000
Marketable securities		294,000		469,000
Accts receiv., net		4,386,000		2,877,000
*Inventories		3,212,000		2,161,000
Other curr assets		183,000		85,000
Current Assets	$	12,661,000	$	16,021,000
#Fixed assets		1,426,000		1,413,000
Other assets		15,000		11,000
Total Assets	$	14,102,000	$	17,445,000

Liabilities

Accts payable	$	1,141,000	$	241,000
Accruals		890,000		709,000
Inc taxes payable		561,000		399,000
Curr Liabilities	$	2,592,000	$	1,349,000
Deferred income taxes		849,000		847,000
+Common stock		1,167,000		1,871,000
Add paid-in capital		2,225,000		3,465,000
Retained earnings		7,295,000		10,001,000
Notes receivable		(26,000)		(88,000)
Total Liabilities & Shareholders' Equity	$	14,102,000	$	17,445,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

% Income bef Taxes to Revenue		18.60		15.38
% Net Income to Revenues		12.51		10.69
% Net Income to Equity		23.66		10.08
Working Capital	$	10,069,000	$	14,672,000
Current Ratio		4.88		11.88
Shareholders' Equity	$	10,661,000	$	15,249,000

Datascope Corp.

14 Philips Parkway
P.O. Box 58
Montvale, New Jersey 07645
(201) 391-8100
FAX: (201) 391-8965

Officers: Lawrence Saper, chairman & chief executive officer; George Heller, sr. v.p. & secretary; Ernst Janzen, sr. v.p.; Harry P. Gugnani, v.p. & pres.-Patient Monitoring Div.; Bruce L. Hanson, exec. v.p. & pres.-Cardiac Assist Div.; John F. Cviner, v.p. & pres.-Angioplasty Div.; William H. Terrell, v.p.-corp. design; Richard Monastersky, v.p.-human resources; George Goicoechea, president-InterVascular, Inc.; Murray Pitkowsky, v.p.-finance & treasurer

Directors: David Altschiller, William L. Asmundson, Joseph Grayzel, George Heller, Alan J. Patricof, Lawrence Saper, Norman Schneider

Areas of Work: Produces cardiac assist systems for hospital use in interventional cardiology and cardiac surgery, and patient safety monitors for use in the operating room, post-anesthesia care and critical care. A leading manufacturer of medical products for invasive cardiology, cardiovascular surgery and anesthesiology.

Subsidiaries:

Bioplex Corp
14 Phillips Parkway
Montvale, New Jersey 07645
(201) 391-8100

InterVascular, Inc
16331 Bay Vista Drive
Clearwater, Florida 34620

Datascope B V
Hoevelaken, Holland

Datascope GMBH
Bremen, West Germany

Datascope Medical Co Ltd
Cambridge, United Kingdom

Datascope S A R L
Paris, France
Manufactures and sells a proprietary line of knitted and woven vascular grafts, which are implanted surgically to replace diseased arteries.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSCP (NASDAQ)

Number of Employees:

1990	1,000	1987	840
1989	1,100	1986	790
1988	993		

Plant Footage:

1990	285,800 sq. ft.	1987	147,100
1989	217,100	1986	137,100
1988	147,100		

Sales & Earnings

	Net Sales	Net Income
1990	$ 120,150,000	$ 9,296,000
1989	113,150,000	10,479,000
1988	105,200,000	9,676,000
1987	87,600,000	5,450,000
1986	67,400,000	3,027,924

	No. of Com. Shares +	Earn. per Share +
1990	5,166,000	$ 1.80
1989	5,033,000	2.08
1988	4,441,000	2.18
1987	4,053,000	1.34
1986	3,854,000	0.79

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split

Revenues by Line of Business

	1990	1989
Cardiac assist	$ 59,300,000	$ 63,600,000
Patient monitoring	50,700,000	44,300,000
Other	10,200,000	5,300,000
Total	$ 120,200,000	$ 113,200,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990			
1989			
1988			
1987			3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 92,012,000	$ 17.96
1989	82,234,000	16.09
1988	52,371,000	12.03
1987	42,042,000	9.94
1986	24,521,056	6.71

+ Adjusted to reflect stock split

Income Account *

Year ended June 30	1990	1989
Net sales	$ 120,150,000	$ 113,150,000
Cost of sales	47,677,000	42,725,000
Expenses	65,960,000	55,405,000
Interest income	(1,180,000)	(1,632,000)
Other expense (income)	(431,000)	647,000
Nonrecurring income	(6,000,000)	
Income before taxes	$ 14,124,000	$ 16,005,000
Income taxes	4,828,000	5,526,000
Net Income	$ 9,296,000	$ 10,479,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,867,000 in 1990 and $3,826,000 in 1989

Assets

As of June 30	1990	1989
Cash & cash equiv	$ 1,219,000	$ 914,000
Short-term invest	18,048,000	12,153,000
Accts. receiv., net	34,085,000	29,168,000
*Inventories	34,910,000	33,961,000
Prepaid expenses	3,798,000	3,234,000
Current Assets	$ 92,060,000	$ 79,430,000
≠Fixed assets	24,999,000	19,624,000
Other assets	6,572,000	5,126,000
Total Assets	$ 123,631,000	$ 104,180,000

Liabilities

Short-term debt	$ 1,164,000	$ 791,000
Long-term debt, curr	547,000	206,000
Accts. payable	7,230,000	7,537,000
Accrued payroll	3,666,000	3,180,000
Other accruals	11,974,000	4,668,000
Income taxes	2,370,000	1,340,000
Curr. Liabilities	$ 26,951,000	$ 17,722,000
Other liabilities	3,996,000	3,398,000
Long-term debt	68,000	427,000
Deferred inc. taxes	604,000	399,000
+Common stock	51,000	51,000
Add. paid-in capital	36,644,000	36,525,000
Retained earnings	56,308,000	47,012,000
Cum. trans. adjust.	(991,000)	(1,354,000)
Total Liabilities & Shareholders' Equity	$ 123,631,000	$ 104,180,000

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $0.01 par value

Statistical Summary

% Income bef. Taxes to Sales	11.76	14.14
% Net Income to Sales	7.74	9.26
% Net Income to Equity	10.10	12.74
Sales to Inventories	3.44	3.33
Debt to Equity	0.02	0.02
Working Capital	$ 65,109,000	$ 61,708,000
Current Ratio	3.42	4.48
Shareholders' Equity	$ 92,012,000	$ 82,234,000

Datasouth Computer Corporation

4216 Stuart Andrew Boulevard
P.O. Box 240947
Charlotte, North Carolina 28224
(704) 523-8500
FAX: (704) 523-9298

Officers: Paul F. Morath, chairman; James W. Busby, president; K. Nick Waller, exec. v.p.-operations; Gordon W. Friedrich, v.p.-finance, treasurer & secretary

Directors: Paul F. Morath, chairman of the board; Carl Morath; James W. Busby; Milford R. Derrick; William M. Hammock; W. Olin Nisbet, III; K. Nick Waller

Areas of Work: Designs, manufactures, and distributes computer printers and related products, used primarily with multi-user micro, mini and mainframe computers for applications requiring text, graphics and barcode output.

Subsidiary:

Datasouth International Sales Corporation

Transfer Agent(s):

Wachovia Bank and Trust Company, N.A.
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSCC (NASDAQ)

Number of Employees:

1990	125	1988	140
1989	160	1987	148

Plant Footage:

1990	60,000 sq. ft.	1988	60,000
1989	60,000	1987	60,000

Sales & Earnings

	Revenue	Net Income
1990	$ 13,338,000	$ (1,159,000)
1989	17,079,000	126,000
1988	15,821,000	(298,000)
1987	16,284,000	(503,000)
1986	19,212,000	858,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	5,690,500	$ —
1989	5,690,500	0.02
1988	5,690,500	—
1987	5,737,300	—
1986	5,802,207	0.15

( ) Loss
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 15,474,000	$ 2.72
1989	16,633,000	2.92
1988	16,508,000	2.90
1987	16,806,000	2.93
1986	17,422,000	3.00

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1990	1989
Revenues	$ 13,337,861	$ 17,079,773
Cost of revenues	9,271,582	11,503,038
Expenses	6,223,402	6,438,020
Interest income	(921,462)	(992,351)
Other expense (income)	(9,648)	21,602
Inc. (loss) bef. taxes	$ (1,226,013)	$ 109,464
Tax credit	(67,100)	(16,376)
Net Income (Loss)	$ (1,158,913)	$ 125,840

* Included in Costs and Expenses, Depreciation and Amortization: $287,022 in 1990 and $570,008 in 1989

Assets

As of Dec. 31	1990	1989
Cash & cash equiv	$ 5,552,520	$ 6,540,226
Market. securities	4,761,314	4,772,890
Accts. receiv., net	1,694,044	1,992,087
*Inventories	2,277,273	3,006,694
Prepaid expenses	177,017	287,582
Current Assets	$ 14,462,168	$ 16,599,479
≠Fixed assets	2,119,453	1,087,423
Other assets	213,074	534,244
Total Assets	$ 16,794,695	$ 18,221,146

Liabilities

Accts. payable	$ 865,701	$ 1,056,416
Accrued payroll	179,918	214,116
Accrued insurance	86,000	89,126
Other accruals	188,614	228,113
Curr. Liabilities	$ 1,320,233	$ 1,587,771
+Common stock	56,905	58,410
Add. paid-in capital	7,935,683	8,145,570
Retained earnings	7,481,874	8,804,853
Treasury stock	—	(375,458)
Total Liabilites & Shareholders' Equity	$ 16,794,695	$ 18,221,146

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.01 par value

Statistical Summary

% Income bef. Taxes to Revenues		—		0.64
% Net Income to Revenues		—		0.74
% Net Income to Equity		—		0.76
Working Capital	$	13,141,935	$	15,017,971
Current Ratio		10.95		10.50
Shareholders' Equity	$	15,474,462	$	16,633,375

Datum Inc.

1363 South State College Boulevard
Anaheim, California 92806-5790
(714) 533-6333
FAX: (714) 533-6345

Officers: Louis B. Horwitz, chairman of the board & president; William E. Baldwin, v.p.-Datum Inc. & Pres.-Datum Timing; Robert F. Ellis, v.p.-Datum Inc. & Pres.-Austron, Inc.; Raymond L. Waguespack, v.p.-Datum Inc. & Pres.-Spectrum Technology, Inc.; Benjamin F. Tarver, v.p.-finance, treasurer & secretary

Directors: Louis B. Horwitz, chairman; Edward A. Money, Michael M. Mann, G. Tilton Gardner, Dan L. McGurk, Thomas J. O'Rourke

Areas of Work: Engaged in the design, development and manufacture of precision frequency and timing instrumentation products.

Subsidiaries:

Frequency and Time Systems, Inc.
34 Tozer Road
Beverly, Massachusetts 01915
(508) 927-8220

Spectrum Technology, Inc.
300 Lopez Road
Goleta, California 93116
(805) 964-7791
Produces a line of quartz crystal oscillators.

Bancomm Corporation
San Jose, California
Produces a line of timing instrumentation products.

Austron, Inc.
P.O. Box 14766
North Interstate 35, Exit 248
Austin, Texas 78761
(512) 251-2341

Manufactures precise time and frequency instruments required by industrial, scientific and military customers for use in communications, space and missile tracking navigation and metrology applications. Also manufactures coding instruments and systems, crystal oscillators, computer channel adapter interface equipment, and other electronic devices.

Transfer Agent(s):

Manufacturers Hanover Trust Company of California
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DATM (NASDAQ)

Number of Employees:

1990	480	1987	362
1989	470	1986	386
1988	460		

Plant Footage:

1990	N.A.	1987	140,140
1989	N.A.	1986	125,700
1988	373,040 sq. ft.		

N.A. Not Available

Sales & Earnings

		Net Sales ≠		Net Income
1990	$	29,270,000	$	(1,027,000)
1989		36,990,000		1,350,000
1988		31,901,000		1,079,000
1987		27,821,000		1,002,000
1986		24,154,000		1,015,000

	No. of Com. Shares		Earn. per Share ‡
1990	2,459,757	$	—
1989	2,724,357		0.50
1988	2,725,557		0.40
1987	2,728,890		0.37
1986	2,728,890		0.36

( ) Loss

≠ Includes contract revenues.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	16,637,000	$	6.76
1989		18,614,000		6.83
1988		17,235,000		6.32
1987		16,018,000		5.87
1986		14,803,000		5.42

Income Account*

Year ended Dec. 31		1990		1989
Net sales & contract revenues	$	29,270,000	$	36,990,000
Cost of sales & revenues		18,703,000		22,340,000
Expenses		11,755,000		11,867,000
Interest expense		384,000		718,000
Interest income		(52,000)		(165,000)
Inc. (loss) bef. taxes	$	(1,520,000)	$	2,230,000
Income taxes (credit)		(493,000)		880,000
Net Income (Loss)	$	(1,027,000)	$	1,350,000

* Included in Cost and Expenses, Depreciation and Amortization $1,274,000 in 1990 and $1,226,000 in 1989.

Assets

As of Dec. 31		1990		1989
Cash & short-term invest.	$	850,000	$	1,290,000
Accts. receiv., net		5,802,000		8,887,000
*Inventories		6,508,000		6,380,000
Prepaid expenses		164,000		126,000
Income taxes receiv.		553,000		—
Current Assets	$	13,877,000	$	16,683,000
≠Fixed assets		9,297,000		9,119,000
Exc. of cost over assets acq.		3,629,000		3,766,000
Other assets		189,000		291,000
Total Assets	$	26,992,000	$	29,859,000

Liabilities

Notes payable	$	2,000,000	$	—
Long-term debt, curr.		1,373,000		1,662,000
Accts. payable		1,467,000		1,511,000
Accrued payroll		995,000		1,491,000
Other accruals		456,000		579,000
Customer deposit		275,000		—
Income taxes payable				40,000
Deferred inc. taxes		1,452,000		1,498,000
Curr. Liabilities	$	8,018,000	$	6,781,000
Long-term debt		1,321,000		3,495,000
Deferred income taxes		1,016,000		969,000
+Common stock		615,000		681,000
Add. paid-in capital		9,598,000		10,482,000
Retained earnings		6,424,000		7,451,000
Total Liabilities & Shareholders' Equity	$	26,992,000	$	29,859,000

* At lower of cost (FIFO) or market.

≠ Less accumulated depreciation and amortization.

+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales		—		6.03
% Net Income to Sales		—		3.65
% Net Income to Equity		—		7.25
Sales to Inventories		4.50		5.80
Debt to Equity		0.28		0.28
Working Capital	$	5,859,000	$	9,902,000
Current Ratio		1.73		2.46
Shareholders' Equity	$	16,637,000	$	18,614,000

DBA Systems, Inc.

P.O. Drawer 550
1200 South Woody Burke Road
Melbourne, Florida 32902-0550
(407) 727-0660
FAX: (407) 727-0660

Officers: John L. Slack, president, CEO & treasurer; Jon D. Guess, v.p., CFO & treasurer; Richard Van Pelt, v.p.-electronic systems; Ralph Keim, v.p.-imaging systems

Directors: Howard N. Hebert, chairman; Joseph A. Boyd, Robert F. Ellsworth, John L. Slack, William C. Potter, Franklin S. Atwater, Louis W. Tordella, Lynn E. Weaver, Harold M. Agnew

Areas of Work: Engaged in the development and production of trackers used in airborne and ground based weapons, and for satellites and gun fire-control systems; message switching systems as well as complete message preparation and distribution terminals. Produces instrumentation and systems for photogrammetric structural measurement and aerial photography, primarily for government use. Also manufactures computerized digital image processing systems used in biomedical research and medical diagnostic applications.

Divisions and Subsidiaries:

DBA Systems Inc.-Washington D.C. Division
Redwood Plaza
10560 Arrowhead Drive
Fairfax, Virginia 22030
(703) 934-6801

DBA Systems, Inc.-Melbourne
1135 West NASA Boulevard
P.O. Box 550
Melbourne, Florida 32902-0550
(407) 727-0660

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DBAS (NASDAQ)

Number of Employees:

1990	450	1987	991
1989	600	1986	805
1988	750		

Plant Footage:

1990	289,000 sq. ft.	1987	265,950
1989	165,000	1986	240,750
1988	165,000		

Sales & Earnings

	Revenues	Net Income
1990	$ 37,134,000	$ (10,788,000)
1989	55,135,000	1,321,000
1988	61,871,000	4,205,000
1987	52,709,000	3,697,000
1986	50,244,000	4,374,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	2,688,000	$ —
1989	2,652,000	0.50
1988	2,677,000	1.57
1987	3,186,000	1.16

(Loss)
‡ Based on the weighted average number of shares outstanding

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 10,211,000	$ 3.80
1989	20,899,000	7.88
1988	11,979,000	4.47
1987	25,025,000	7.85
1986	31,783,000	—

‡ Based on the weighted average number of shares outstanding

Income Account*

Year ended June 30	1990	1989
Revenues	$ 37,134,000	$ 55,135,000
Cost of revenues & expenses	38,344,000	54,180,000
Interest income	(89,000)	(145,000)
Interest expense	2,146,000	2,014,000
Other expense	7,521,000	1,388,000
Loss bef. taxes	$ (10,788,000)	$ (2,302,000)
Tax credit	—	(3,623,000)
Net Income (Loss)	$ (10,788,000)	$ 1,321,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,979,000 in 1990 and $1,861,000 in 1989.

Assets

As of June 30	1990	1989
Cash	$ 333,000	$ 40,000
Accts. receiv., net	5,918,000	9,265,000
Costs in excess of billings on Gov't contracts	8,691,000	12,078,000
Refundable income taxes	170,000	240,000
*Inventories	1,959,000	1,849,000
Other curr. assets	899,000	893,000
Current Assets	$ 17,970,000	$ 24,365,000
≠Fixed assets	16,042,000	19,980,000
Deferred inc. taxes	479,000	479,000
Cost in exc. of assets acq.	300,000	3,255,000
Other assets	1,526,000	4,321,000
Total Assets	$ 36,317,000	$ 52,400,000

Liabilities

	1990	1989
Notes payable	$ 4,775,000	$ 6,500,000
Long-term debt, curr.	838,000	404,000
Accts. payable	1,257,000	3,338,000
Accruals	1,789,000	1,911,000
Billings in exc. of costs on Gov't. contracts	224,000	198,000
Losses on uncomplete contracts	701,000	1,155,000
Other curr. liab.	59,000	458,000
Curr. Liabilities	$ 9,645,000	$ 13,964,000
Long-term debt	16,461,000	17,537,000
+Common stock	395,000	395,000
Add. paid-in capital	18,529,000	18,529,000
Retained earnings	13,408,000	24,354,000
Treasury stock	(22,121,000)	(22,379,000)
Total Liabilities & Shareholders' Equity	$ 36,317,000	$ 52,400,000

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1990	1989
% Net Income to Revenues	—	2.40
% Net Income to Equity	—	6.32
Debt to Equity	2.16	1.17
Working Capital	$ 8,325,000	$ 10,401,000
Current Ratio	1.86	1.74
Shareholders' Equity	$ 10,211,000	$ 20,899,000

Decom Systems, Inc.

1945 Palomar Oaks Way
Carlsbad, California 92009
(619) 431-1945
FAX: (619) 431-1946

Officers: John A. Robinson, Jr., chairman, president & chief exec. officer; Richard K. Carrine, v.p.-operations & secretary; George F. Tremain, v.p.-marketing and corp. development; Steven E. Borgardt, v.p., finance & chief financial officer.

Directors: John A. Robinson, chairman; Richard K. Carrine; Kenneth D. Holland; George F. Tremain; Earle C. May

Areas of Work: Designs, manufactures, and markets a wide range of electronic communications equipment used in aerospace telecommunications. The Company's principal aerospace telemetry products are PSK (Phase Shift Key) and PCM (Pulse Code Modulation) telemetry ground support systems and related test equipment.

Subsidiaries:

Coded LMR Holding
Carlsbad, California

Coded Communications Network Systems, Inc.
Carlsbad, California

DSI Management Company
Carlsbad, California

Decom Systems GmbH
Munich, West Germany

Transfer Agent(s):

Union Bank
Trust Department
8155 Mercury Court
P.O. Box 2529
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSII (NASDAQ)

Number of Employees:

1990	63	1987	80
1989	72	1986	118
1988	68		

Plant Footage:

1990	39,500 sq. ft.	1987	36,000
1989	39,500	1986	46,000
1988	39,500		

Sales & Earnings

	Revenues	Net Income +
1990	$ 8,454,000	$ (295,000)
1989	8,000,000	457,000
1988	6,589,000	(2,247,000)
1987	9,831,000	850,000
1986	13,189,000	1,135,000

	No. of Com. Shares ‡	Earn. per Share +‡
1990	2,713,000	$ —
1989	2,713,000	0.17
1988	2,713,000	—
1987	2,735,000	0.31
1986	2,715,000	0.42

(Loss)
+ Including extraordinary gains of $232,000 ($0.08 per share) in 1987 and $215,000 ($0.08 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 890,000	$ 0.33
1989	1,185,000	0.44
1988	728,000	0.27
1987	2,975,000	1.09
1986	2,012,000	0.74

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended Sept. 30	1990	1989
Net sales	$ 8,454,000	$ 8,000,000
Cost of sales	4,299,000	3,272,000
Expenses	4,234,000	4,050,000
Interest expense	329,000	270,000
Interest income	(121,000)	(78,000)
Inc. (loss) bef. taxes	$ (287,000)	$ 486,000
Income taxes	8,000	29,000
Net Income (Loss)	$ (295,000)	$ 457,000

* Included in Costs and Expenses, Depreciation and Amortization: $271,000 in 1990 and $319,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 870,000	$ 2,363,000
Accts. receiv., net	1,657,000	839,000
*Inventories	1,159,000	1,399,000
Other curr. assets	156,000	139,000
Current Assets	$ 3,842,000	$ 4,740,000
≠Fixed assets	624,000	564,000
Other assets	187,000	198,000
Total Assets	$ 4,653,000	$ 5,502,000

Liabilities

	1990	1989
Long-term debt, curr.	$ 1,095,000	$ 1,034,000
Accts. payable	239,000	319,000
Accrued payroll	333,000	316,000
Accrued commissions	229,000	207,000
Other accruals	652,000	705,000
Income taxes	66,000	93,000
Curr. Liabilities	$ 2,614,000	$ 2,674,000

Long-term debt		1,116,000		1,610,000
Deferred inc. taxes		33,000		33,000
+Common stock		2,873,000		2,873,000
Retained earnings (deficit)		(1,983,000)		(1,688,000)
Total Liabilities & Shareholders' Equity	$	4,653,000	$	5,502,000

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales		—		6.08
%Net Income to Sales		—		5.71
%Net Income to Equity		—		38.57
Sales to Inventories		7.29		5.72
Debt to Equity		2.48		2.23
Working Capital	$	1,228,000	$	2,066,000
Current Ratio		1.47		1.77
Shareholders' Equity	$	890,000	$	1,185,000

Del Electronics Corp.

250 E. Sandford Boulevard
Mount Vernon, New York 10550
(914) 699-2000
FAX: (914) 699-4005

Officers: Leonard A. Trugman, chairman, chief executive officer & president; Bela Hohner, sr. v.p.-research & development and engineering; William Kaufman, v.p.-administration & secretary; Louis Farin, sr. v.p.-operations; Joseph P. Stefanowicz, v.p-sales & marketing; Seymour Rubin, v.p. & pres.- RFI Subsidiary; Stanley Zweig, v.p. & pres.-Stanley Electronics Div.

Directors: Leonard A. Trugman, chairman; Raymond Kaufman, Hugo J. DiGiovanni, Seymour Rubin, Natan Bertman, David Michael, James Tiernan.

Areas of Work: Manufacturer of high voltage power supplies, transformers and capacitors for military, commercial and industrial purposes.

Subsidiary:

Stanley Electronics, Inc.
Manufactures high voltage mica capacitors.

RFI Corporation
Designs and manufactures electronics filters, serving industrial and military markets.

Transfer Agent(s):

Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: DEI

Number of Employees:

1990	90	1987	107
1989	95	1986	85
1988	N.A.		

Plant Footage:

1990	116,000 sq. ft.	1987	61,000
1989	61,000	1986	61,000
1988	61,000		

N.A. - Not Available

Sales & Earnings

		Net Sales		Net Income
1990	$	13,300,888	$	677,619
1989		8,945,631		506,560
1988		8,392,599		469,542
1987		6,492,344		240,324
1986		5,324,921		46,341

	No. of Com. Shares		Earn. per Share ≠
1990	1,331,115	$	0.36
1989	1,187,750		0.30
1988	1,180,817		0.29
1987	938,675		0.18
1986	877,438		0.04

(Loss)
≠ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	6%	—
1988	—	5%	—
1987	—	5%	—
1986	—	5%	—

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	4,189,149	$	3.15
1989		3,151,282		2.65
1988		2,673,652		2.26
1987		1,783,407		1.90
1986		1,492,195		1.70

Income Account*

Year ended		7/28/90		7/29/89
Net sales	$	13,300,888	$	8,945,631
Cost of sales		8,336,108		6,044,628
Expenses				
Res. & develop		687,998		488,149
Sell., gen., & adm		2,652,040		1,588,806
Interest expense		662,438		85,390
Income bef. taxes	$	962,304	$	738,658
Income taxes		284,685		232,098
Net Income	$	677,619	$	506,560

* Included in Costs and Expenses, Depreciation and Amortization: $351,259 in 1990 and $85,845 in 1989.

Assets

As of		7/28/90		7/29/89
Cash	$	331,180	$	86,666
Accts. receiv. net		3,479,271		1,583,427
*Inventories		5,749,328		2,910,351
Prepaid expenses		657,586		136,605
Current Assets	$	10,217,365	$	4,717,049
≠Fixed assets		4,073,371		422,824
Deferred charges		397,682		—
Other assets		192,831		168,221
Total Assets	$	14,881,249	$	5,308,094

Liabilities

Notes payable	$	392,625	$	539,449
Long-term debt, curr		634,481		99,162
Accts. payable		841,341		491,848
Accruals				
Payroll		361,641		232,844
Commissions		324,908		236,154
Other		562,166		295,207
Income taxes		56,811		47,340
Curr. Liabilities	$	3,173,973	$	1,942,204
Long-term debt		7,518,127		214,608
+Common stock		133,112		118,775
Add. paid-in capital		2,594,858		1,963,887
Retained earnings		1,461,179		1,068,620
Total Liabilities Shareholders' Equity	$	14,881,249	$	5,308,094

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales		7.23		8.26
%Net Income to Sales		5.09		5.66
%Net Income to Equity		16.18		16.07
Sales to Inventories		2.31		3.07
Debt to Equity		2.04		0.27
Working Capital	$	7,043,392	$	2,774,845
Current Ratio		3.22		2.43
Shareholders' Equity	$	4,189,149	$	3,151,282

Designatronics Incorporated

2101 Jericho Turnpike
New Hyde Park, New York 11040
(516) 328-3300
FAX: (516) 326-8827

Officers: Sol Schwartz, president; Joseph Rubenfeld, exec. v.p. & treasurer; Martin Hoffman, sr. v.p. & chief financial officer; Frank Buchsbaum, sr. v.p.; Hitoshi Tanaka, v.p.; Shirley Brown, secretary.

Directors: Frank Buchsbaum, Martin Hoffman, Joseph Rubenfeld, Sol Schwartz, Reuben M. Siwek.

Areas of Work: Through its divisions and subsidiaries, the Company designs, manufactures, or supplies a wide array of over 50,000 mechanical, electromechanical, and electronic components and sub-assemblies.

Divisions:

Sterling Instrument Division
New Hyde Park, New York 11040
Manufactures precision mechanical components, including precision gears, differentials, brakes, clutches, couplings bearings and shafts.

Stock Drive Products Division
New Hyde Park, New York 11040
Manufactures and markets standard and designed-to-order small commercial quality drive components.

Techno Division
14 Crandall Ave.
Pompton Lakes, New Jersey 07442
Research and development of micro-computer controlled automation and robotics.

Western Component Sales
9719 Mason Avenue
Chatsworth, California 91311

Subsidiaries:

Accusonic Systems Corporation
Manufactures speakers, headsets and microphones designed for use in severe environments, such as military, marine and aviation applications.

Designatronics Foreign Sales Corp. (FSC)
New Hyde Park, New York 11040
Engaged in export activities for incorporated divisions as well as the products produced by other U.S. manufacturers.

Automatic Coil Corp.
3545 N.W. 71st Street
Miami, Florida 33147
Manufacturer of custom designed inductive components.

Automatic Accusonic Haiti Corp., S.A.
Port-au-Prince, Haiti

Products manufactured include a complete line of IF-RF coils, toroids, baluns, bobbins and related windings in addition to specially engineered inductors, transformers, filters, discriminators, a wide range of electronic assemblies, and printed circuit board assemblies.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American, Pacific

Ticker Symbol: DSG

Number of Employees:

1990	737	1987	594
1989	750	1986	714
1988	841		

Plant Footage:

1990	194,300 sq. ft.	1987	178,700
1989	194,300	1986	178,700
1988	189,300		

Sales & Earnings

	Net Sales	Net Income
1990	$ 31,974,034	$ 793,762
1989	25,973,904	(133,687)
1988	25,113,762	727,314
1987	21,792,330	82,557
1986	19,320,258	(523,384)

	No. of Com. Shares +	Earn. per Share +
1990	2,914,556	$ 0.27
1989	2,919,433	—
1988	2,935,942	0.25
1987	2,991,654	0.03
1986	3,015,120	—

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues by Line of Business

	1990	1989
Electro-mechanical & mechanical components	$ 20,625,000	$ 20,292,000
Electronic components	11,349,000	5,682,000
Total	$ 31,974,000	$ 25,974,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	5%	—
1988	—	5%	—
1987	—	5%	—
1986	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 10,725,720	$ 3.68
1989	9,964,117	3.41
1988	10,098,537	3.44
1987	9,569,978	3.20
1986	9,507,604	3.15

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Aug. 31	1990	1989
Net sales	$ 31,974,034	$ 25,973,904
Cost of sales	23,137,649	18,783,565
Expenses	7,769,672	7,305,292
Interest expense	424,548	367,294
Interest income	(58,865)	(57,711)
Other income	(276,732)	(199,849)
Inc. (loss) bef. taxes	$ 977,762	$ (224,687)
Income taxes (credit)	184,000	(91,000)
Net Income (Loss)	$ 793,762	$ (133,687)

* Included in Costs and Expenses, Depreciation and Amortization: $673,289 in 1990 and $723,003 in 1989.

Assets

As of Aug. 31	1990	1989
Cash & cash equiv.	$ 582,331	$ 536,796
Accts. receiv., net	3,736,013	4,277,079
*Inventories	8,144,134	8,324,125
Prepaid expenses	295,570	210,922
Deferred income taxes	112,085	49,085
Current Assets	$ 12,870,133	$ 13,398,007
≠Fixed assets	2,310,926	2,705,937
Other assets	323,497	309,734
Total Assets	$ 15,504,556	$ 16,413,678

Liabilities

	1990	1989
Cash overdraft	$ 37,876	$ 615,126
Long-term debt, curr.	13,614	34,691
Accts. payable	901,608	969,545
Accrued payroll	234,788	405,187
Other accruals	644,983	568,274
Income taxes	129,640	363,176
Current Liabilities	$ 1,962,509	$ 2,955,999
Long-term debt	2,785,000	3,473,235
Other liabilities	31,327	20,327
+Common stock	118,221	118,436
Add. paid-in capital	9,358,671	9,385,343
Retained earnings	1,366,268	572,506
For. curr. trans. adjust	(5,939)	(667)
Treasury stock	(111,501)	(111,501)
Total Liabilities & Shareholders' Equity	$ 15,504,556	$ 16,413,678

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.04 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	3.06	—
% Net Income to Sales	2.48	—
% Net Income to Equity	7.40	—
Sales to Inventories	3.93	3.12
Debt to Equity	0.26	0.35
Working Capital	$ 10,907,624	$ 10,442,008
Current Ratio	6.56	4.53
Shareholders Equity	$ 10,725,720	$ 9,964,117

Detection Systems, Inc.

130 Perinton Parkway
Fairport, New York 14450
(716) 223-4060
FAX: (716) 223-9180

Officers: Karl H. Kostusiak, president; David B. Lederer, exec. v.p.; Frank J. Ryan, v.p., secretary & treasurer; James R. Berube, v.p.-systems engineering.

Directors: Karl H. Kostusiak, David B. Lederer, Joseph M. LoBozzo, Jr., Edward C. McIrvine, W. Mathew Juechter.

Areas of Work: Designs, manufactures, and markets electronic instrumentation and control equipment for the security and facility management industries. The Company's product line includes electronic intrusion detectors, fire detectors, alarm control equipment, and microprocessor-based energy management equipment.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
Lincoln First Tower
Rochester, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DETC (NASDAQ)

Number of Employees:

1990	333	1987	226
1989	271	1986	193
1988	203		

Plant Footage:

1990	84,000 sq. ft.	1988	84,000
1989	84,000		

Sales & Earnings

	Net Sales	Net Income
1991	$ 28,135,000	$ 1,908,000
1990	21,863,000	1,644,000
1989	19,140,000	1,550,000
1988	16,965,000	1,176,000
1987	13,025,000	713,000

	No. of Com. Shares +	Earn. per Share ≠
1991	2,380,533	$ 0.72
1990	2,471,165	0.59
1989	2,453,197	0.57
1988	2,479,357	0.48
1987	2,413,221	0.29

(Loss)
+ Adjusted to reflect stock split.
≠ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	—	—	—
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1991	$ 12,951,772	$ 5.44
1990	12,019,242	4.86
1989	10,511,482	4.28
1988	9,157,073	3.69
1987	7,747,070	3.21

‡ Adjusted to reflect stock split.

Income Account*

Year ended March 31	1991	1990
Net sales	$ 28,134,513	$ 21,862,970
Interest income	342,331	444,433
Total income	$ 28,476,844	$ 22,307,403

Cost of sales	19,739,161	15,070,072
Expenses	5,477,289	4,373,711
Interest expense	302,418	285,751
Inc bef taxes	$ 2,957,976	$ 2,577,869
Inc taxes	1,050,000	934,000
Net Income	$ 1,907,976	$ 1,643,869

* Included in Costs and Expenses, Depreciation and Amortization $1,389,740 in 1990 and $991,173 in 1989

Assets

As of March 31	1991	1990
Cash & cash equiv	$ 1,181,138	$ 4,294,578
Short-term invest	2,487,907	—
Accts receiv, net	3,716,024	3,039,238
*Inventories	5,860,366	4,041,556
Inc taxes receiv	—	148,223
Deferred income tax charges	295,000	215,000
Prepaid expenses	214,073	283,309
Current Assets	$ 13,754,508	$ 12,021,904
≠Fixed assets	3,688,908	2,927,030
Prop under cap lease	3,001,844	2,825,115
Other assets	185,124	195,141
Total Assets	$ 20,630,384	$ 17,969,190

Liabilities

Long-term debt & cap lease oblig, curr	$ 528,733	$ 269,317
Accts payable	967,637	431,680
Accrued payroll	887,992	815,490
Interest payable	57,501	63,028
Other accruals	278,929	177,405
Income taxes payable	57,216	—
Curr Liabilities	$ 2,778,008	$ 1,756,920
Long-term debt	366,667	—
Oblig under cap leases	1,753,487	1,729,788
Subord convert deben	1,000,000	1,000,000
Deferred compensation	1,156,050	688,840
Deferred inc taxes	624,400	774,400
+Common stock	128,316	128,253
Add paid-in capital	5,562,665	5,914,984
Retained earnings	8,540,376	6,632,400
Treasury stock	(1,114,692)	(531,797)
Notes receiv - stock purch	(164,893)	(124,598)
Total Liabilities & Shareholders' Equity	$ 20,630,384	$ 17,969,190

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $0.05 par value

Statistical Summary

% Income bef Taxes to Sales	10.51	11.79
% Net Income to Sales	6.78	7.52
% Net Income to Equity	14.73	13.68
Sales to Inventories	4.80	5.41
Debt to Equity	0.28	0.25
Working Capital	$ 10,976,500	$ 10,264,984
Current Ratio	4.95	6.84
Shareholders' Equity	$ 12,951,772	$ 12,019,242

The Dewey Electronics Corporation

27 Muller Road
Oakland, New Jersey 07436
(201) 337-4700
FAX (201) 337-3976

Officers: Gordon C Dewey, president; Frances Dommeleers, v p -administration; Bernard D Bertino, v p -government programs; John G McQuaid, secretary; Thom A Velto, treasurer

Directors: Frances D Dewey, Gordon C Dewey, Peter Eustis, John G McQuaid, Alexander A Cameron, Jr., Millard F West, Jr

Areas of Work: The Corporation develops and produces torpedo and mine casings, electronic sonar, communications and other anti-submarine warfare special-purpose electronic equipment. The Pitometer Log Division manufactures ship speed and distance measuring instrumentation. Through its HEDCO division, the corporation designs, manufactures and markets advanced, highly sophisticated, patented snow-making machinery

Divisions:

Pitometer Log Division
27 Muller Road
Oakland, New Jersey 07436
(201) 337-4700
Manufacturer of ship speed and distance measuring instrumentation

HEDCO Division
Designs, manufactures and markets snowmaking machinery

Transfer Agent(s):

Registrar and Transfer Company
Cranford, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DEWY (NASDAQ)

Sales & Earnings

	Revenues	Net Income
1990	$ 8,069,916	$ 133,938
1989	5,437,457	(2,168,527)
1988	5,644,119	(2,278,389)
1987	10,821,932	127,907
1986	10,586,428	(234,950)

	No. of Com Shares	Earn per Share ‡
1990	1,339,532	$ 0.10
1989	1,339,535	—
1988	1,339,285	—
1987	1,339,185	0.09
1986	1,339,208	—

(Loss)
‡ Based on the weighted average number of shares outstanding

Revenues By Line of Business

	1990	1989
Electronic products	$ 6,505,000	$ 4,348,000
Leisure & recreation	4,348,000	1,089,000
Total	$ 8,070,000	$ 5,437,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ (959,266)	$ [illegible]
1989	(1,093,201)	[illegible]
1988	1,074,857	0.80
1987	3,353,046	2.50
1986	3,225,220	2.41

(Deficiency)

Income Account *

Year ended June 30	1990	1989
Revenues	$ 8,069,916	$ 5,437,457
Cost of revenues	6,586,962	6,018,030
Expenses	1,007,156	1,159,048
Interest expense	613,750	511,417
Temp expropr income	(91,000)	—
Other income	(180,890)	(82,511)
Net Income (Loss)	$ 133,938	$ (2,168,527)

* Included in Costs and Expenses, Depreciation $213,194 in 1990 and $229,304 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv	$ 1,119,006	$ 1,344,753
Accts & notes receiv, net	562,822	748,982
*Inventories	784,867	818,762
Contract costs in exc of billings	1,442,333	848,345
Contract costs attrib to claims	610,654	—
Prepaid expenses & other curr assets	130,605	181,538
Current Assets	$ 4,650,287	$ 3,942,380
≠Fixed assets	1,902,758	1,571,903
Exc of invest over assets acq	56,645	82,784
Other assets	109,879	101,851
Total Assets	$ 6,719,569	$ 5,698,918

Liabilities

Long-term debt, curr	$ 65,025	$ 59,448
Accts payable	607,819	395,765
Accruals	569,087	575,277
Billings in exc of contract costs	1,073,600	593,300
Curr Liabilities	$ 2,315,531	$ 1,623,790
Long-term debt	4,903,304	4,968,329
Due to rel party	200,000	200,000
Def revenue	260,000	—
+Common stock	16,934	16,934
Add paid-in capital	2,835,307	2,835,307
Retained earnings (deficit)	(3,291,410)	(3,425,348)
Treasury stock	(520,097)	(520,094)
Total Liabilities & Shareholders' Equity	$ 6,719,569	$ 5,698,918

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.01 par value

Statistical Summary

%Net Income to Revenues	1.66	—
Working Capital	$ 2,334,756	$ 2,318,590
Current Ratio	2.01	2.43
Shareholders' Equity (Deficiency)	$ (959,266)	$ (1,093,201)

Diagnostic/Retrieval Systems, Inc.

8 Wright Way
Oakland, New Jersey 07436
(201) 337-3800
FAX (201) 337-3439

Officers: Leonard Newman, chairman of the board, chief executive officer & secretary; David E Gross, president & chief operating officer; Carl P Boecher, sr v p -business development; Jackson Kemper, Jr, v p -Washington operations; Mark S Newman, exec v p, chief financial officer & treasurer; Allen P Tucker, v p & pres -Precision Echo, Inc; Lewis F Ozimek, v p -ship programs; Jack R Williams, v p -research and technology; John V Giordano, v.p.; J. Patrick Rau, controller; Richard Ross, v.p. & president-Photronics Corp.; Patricia M. Williamson, asst. v.p.-corporate communications; David M. Orth, v.p.-marketing; John C. Dale, v.p.-display programs.

Directors: Leonard Newman, chairman; David E. Gross, Theodore Cohn, Jack Rachleff, Harold Rapaport, Mark N. Kaplan, Mark S. Newman.

Areas of Work: The company designs, develops, manufactures and markets special purpose computer and display systems, high-density digital recording systems, trainer systems and optical systems and assemblies for the armed forces. The Company's high-technology defense electronics products have a variety of military and industrial applications. The company designs, develops, manufactures and markets special-purpose computer and display systems, high-density digital recording systems, as well as trainer and optical systems for the armed forces. The company's high-technology defense electronics products have a variety of military and industrial applications. The Company designs, develops, manufactures and markets special-purpose computer and display systems, high-density digital recording systems, and trainer systems and optical systems and assemblies for the armed forces. The Company's high-technology defense electronics products have a variety of military and industrial applications.

Divisions and Subsidiaries:

Precision Echo, Inc.
3105 Patrick Henry Drive
Santa Clara, California 95054

Designs and manufactures military and industrial quality magnetic recording devices and compact ruggedized tape recorders employed in antisubmarine warfare, reconnaissance aircraft and for intelligence purposes.

Diagnostic/Retrieval Systems, Inc.
Washington Operations
1215 S. Jefferson Davis Highway
Suite 1004
Arlington, Virginia 22202

Photronics Corp.
270 Motor Parkway
P.O. Box 11368
Hauppauge, New York 11788

Designs and manufactures optical systems and assemblies used in military weapon fire control, system boresighting and optical test equipment.

Transfer Agent(s):

The Trust Company of New Jersey
35 Journal Square
Jersey City, New Jersey 07306

Stock Exchange(s): American

Ticker Symbol: DRS-A, DRS-B

Number of Employees:

1990	290	1987	489
1989	430	1986	498
1988	549		

Plant Footage:

1990	194,000 sq. ft.	1987	120,000
1989	194,000	1986	120,000
1988	194,000		

Sales & Earnings

	Revenues	Net Income +
1990	$ 57,468,000	$ (8,393,000)
1989	70,357,000	3,995,000
1988	61,499,000	3,714,000
1987	53,259,000	3,434,000
1986	35,979,000	1,033,000

	No. of Com. Shares ≠	Earn. per Share + ≠
1990	5,617,000	$ —
1989	5,637,000	0.71
1988	5,648,000	0.66
1987	5,628,000	0.61
1986	5,625,324	0.18

(Loss)
+ Including extraordinary gain of $187,000 ($0.03 per share) in 1986.
≠ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 26,962,000	$ 4.80
1989	35,650,000	6.32
1988	31,655,000	5.62
1987	27,915,000	4.96
1986	24,442,000	4.34

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Mar. 31	1990	1989
Revenues	$ 57,468,000	$ 70,357,000
Costs and expenses	68,274,000	62,633,000
Interest expense	2,591,000	2,403,000
Other income	(1,407,000)	(1,653,000)
Inc. (loss) bef. taxes	$ (11,990,000)	$ 6,974,000
Income taxes (credit)	(3,597,000)	2,979,000
Net Income (Loss)	$ (8,393,000)	$ 3,995,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,153,000 in 1990 and $3,443,000 in 1989.

Assets

As of Mar. 31	1990	1989
Cash & cash equiv.	$ 13,650,000	$ 6,027,000
Market. securities	57,000	6,491,000
Accts. receiv., net	14,336,000	19,158,000
*Inventories	9,372,000	16,276,000
Other curr. assets	713,000	1,074,000
Current Assets	$ 38,128,000	$ 49,026,000
≠Fixed assets	16,596,000	17,601,000
Intangibles	9,337,000	9,665,000
Other assets	2,247,000	2,092,000
Total Assets	$ 66,308,000	$ 78,384,000

Liabilities

Long-term debt, curr.	$ 281,000	$ 368,000
Accts. payable & accruals	11,077,000	8,503,000
Income taxes	333,000	5,133,000
Deferred revenues	429,000	1,005,000
Curr. Liabilities	$ 12,120,000	$ 15,009,000
Long-term debt	24,376,000	26,812,000
Deferred inc. taxes	2,099,000	152,000
Other liabilities	751,000	761,000
+ Common stock:		
Class A	37,000	37,000
Class B	21,000	21,000
Add. paid-in capital	12,913,000	12,913,000
Retained earnings	15,217,000	23,610,000
Treasury stock	(1,129,000)	(761,000)
Unamort. restricted stock comp.	(97,000)	(170,000)
Total Liabilities & Shareholders' Equity	$ 66,308,000	$ 78,384,000

* At actual cost, not in excess of estimated net realizable value.
≠ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	9.91
% Net Income to Sales	—	5.68
% Net Income to Equity	—	11.21
Debt to Equity	0.91	0.78
Working Capital	$ 26,008,000	$ 34,017,000
Current Ratio	3.15	3.27
Shareholders' Equity	$ 26,962,000	$ 35,650,000

Di-An Controls, Inc.

16 Jonathan Drive
Brockton, Massachusetts 02401
(508) 559-8000
FAX: (508) 559-8658

Officers: Robert D. Kodis, president & treasurer.

Directors: Robert D. Kodis, Peter Segel.

Areas of Work: Manufactures, sells, and services printer products, computer work stations, and the Movie Master System. These products are used for real-time on-line issuing of tickets, tags and labels in the fields of transportation, entertainment, sports, wagering, manufacturing, and financial exchanges.

Transfer Agent(s):

American Transfer Company
99 Wall Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DICC (NASDAQ)

Sales & Earnings

	Net Sales ‡	Net Income
1990	$ 408,000	$ (634,000)
1989	451,000	(788,000)
1988	546,000	(593,000)
1987	817,000	1,246,000
1986	1,618,000	(588,000)

	No. of Com. Shares	Earn. per Share ≠
1990	826,405	$ —
1989	826,405	—
1988	826,405	—
1987	826,405	1.51
1986	826,405	—

(Loss)
‡ Including service revenues.
≠ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ — (665,957)	$ —
1989	(31,588)	—
1988	756,267	0.92
1987	1,349,184	1.63
1986	103,058	0.12

(Deficiency)

Income Account *

Year ended Dec. 31	1990	1989
Net sales & serv. revenues	$ 404,170	$ 427,355
Other income	4,329	23,375
Total income	$ 408,499	$ 450,730

Cost of sales & services		550,759		765,621
Product develop. costs		99,601		95,189
Expenses		338,076		372,984
Interest expense		54,432		4,791
Net Loss	$	(634,369)	$	(787,855)

* Included in Costs and Expenses, Depreciation: $16,341 in 1990 and $18,944 in 1989.

Assets

As of Dec. 31		1990		1989
Cash	$	7,743	$	—
Accts. receiv., net		34,043		18,632
*Inventories		154,650		113,223
Prepaid expenses		6,286		15,764
Deposits		17,461		17,461
Current Assets	$	220,183	$	165,080
Cash value of life insur.		24,633		21,245
#Fixed assets		50,216		66,357
Total Assets	$	295,032	$	252,682

Liabilities

Note pay.-princ. shareholder	$	714,000	$	174,000
Cash overdraft		—		11,056
Accts. payable		4,466		18,855
Due to rel. parties		168,575		1,722
Accruals		48,944		53,354
Accrued vacation pay		17,859		15,579
Accrued payroll		5,669		8,075
Customer deposits		1,476		1,629
Curr. Liabilities	$	960,989	$	284,270
+Common stock		82,641		82,641
Add. paid-in capital		1,124,451		1,124,451
Retained earnings (deficit)		(1,873,049)		(1,238,680)
Total Liabilities & Shareholders' Equity	$	295,032	$	252,682

* At lower of est. cost (FIFO) or net realizable value
# Less accumulated depreciation
+ $0.10 par value

Diebold, Incorporated

P.O. Box 8230
Canton, Ohio 44711-8230
(216) 489-4000
FAX: (216) 497-4450

Officers: Robert W. Mahoney, chairman & chief exec. officer; Robert P. Barone, president & chief operating officer; Gerald F. Morris, sr. v.p. & chief financial officer; William T. Blair, v.p. & general manager-Diebold North America-sales & service; Frank G. D'Angelo, v.p.-software development & information systems; Donald E. Eagon, Jr., v.p.-corp. communications; Bartholomew J. Frazzitta, v.p. & general manager-Diebold Security Products; Edgar N. Petersen, v.p.-international sales; Charles B. Scheurer, v.p.-human resources & corp. services; Warren W. Dettinger, v.p. & general counsel; Gregg A. Searle, v.p.-U.S. Sales & Marketing; Alben W. Warf, v.p.-development & manufacturing; Charee Francis-Vogelsang, v.p. & secretary; Robert J. Warren, v.p. & treasurer; Robert L. Stockamp, v.p. & controller.

Directors: Louis V. Bockius, III, Daniel T. Carroll, Harry E. Parr, Jr., Donald R. Gant, Raymond Koontz, Frank D. Robinson, Robert W. Mahoney, William F. Massy, W. R. Timken, Jr., Robert P. Barone.

Areas of Work: Designs, manufactures, sells, installs, and services a broad line of automated transaction systems and security equipment used in financial service applications in financial, retail, transportation, government, petroleum and other industry groups.

Divisions:

Security Products
Electronics Products
Retail Products
Software Development & Systems Services
Customer Services

Transfer Agent(s):

Ameritrust Company, N.A.
Corporate Trust Division
P.O. Box 6477
Cleveland, Ohio 44101-1477

Stock Exchange(s): New York

Ticker Symbol: DBD

Number of Employees:

1990	3,814	1987	4,878
1989	4,183	1986	5,320
1988	4,560		

Plant Footage:

1990	1,798,113 sq. ft.	1987	1,586,220
1989	1,677,793	1986	1,559,720
1988	1,586,220		

N.A. - Not Available

Sales & Earnings

		Net Sales		Net Income
1990	$	476,054,000	$	27,111,000
1989		468,883,000		36,230,000
1988		450,571,000		35,824,000
1987		439,063,000		35,768,000
1986		417,369,000		34,905,000

	No. of Com. Shares ‡		Earn. per Share ‡
1990	13,225,000	$	2.05
1989	13,193,000		2.75
1988	13,176,000		2.72
1987	13,162,000		2.72
1986	13,130,000		2.66

‡ Based on the average number of shares outstanding.

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1990	$	1.50	—	—
1989		1.40	—	—
1988		1.30	—	—
1987		1.20	—	—
1986		1.10	—	—

Common Stock Equity x

		Total Equity		Equity Per Share
1990	$	378,128,000	$	28.58
1989		365,673,000		27.70
1988		346,932,000		26.35
1987		327,266,000		24.87
1986		320,202,000		24.40

x Restated to reflect the disclosure that revenues on certain contracts had been recognized historically on an accelerated basis rather than ratably over the contract service period.

Income Account*

Year ended Dec. 31		1990		1989‡
Net sales				
Products	$	259,530,000	$	257,502,000
Services		216,524,000		211,381,000
Total	$	476,054,000	$	468,883,000
Cost of sales		333,612,000		322,416,000
Expenses		110,255,000		102,289,000
Interest income		(12,342,000)		(12,969,000)
Interest expense		793,000		530,000
Other expense		3,923,000		2,754,000
Minority interest		2,335,000		—
Income before taxes	$	37,478,000	$	53,863,000
Income taxes		10,367,000		17,633,000
Net Income	$	27,111,000	$	36,230,000

‡ Restated
* Included in Costs and Expenses, Depreciation and Amortization: $12,564,000 in 1990 and $11,892,000 in 1989.

Assets

As of Dec. 31		1990		1989‡
Cash & cash equiv.	$	33,642,000	$	36,509,000
Short-term invest.		51,810,000		43,931,000
Accts. receiv., net		106,727,000		117,280,000
*Inventories		96,000,000		76,757,000
Prepaid expenses		25,135,000		21,753,000
Current Assets	$	313,314,000	$	296,230,000
Investments		108,910,000		116,995,000
#Fixed assets		64,613,000		55,930,000
Intangibles		33,095,000		27,386,000
Total Assets	$	519,932,000	$	496,541,000

Liabilities

Long-term debt, curr.	$	1,500,000	$	1,250,000
Accts. payable		20,261,000		18,228,000
Income taxes		6,511,000		6,320,000
Accrued insurance		12,272,000		13,818,000
Accrued installation costs		6,288,000		7,523,000
Deferred income		46,497,000		46,954,000
Other curr. liab.		22,693,000		16,649,000
Curr. Liabilities	$	116,022,000	$	110,742,000
Long-term debt		3,250,000		4,500,000
Pensions		5,317,000		2,915,000
Deferred inc. taxes		10,256,000		12,711,000
Minority interest		6,959,000		—
+Common stock		16,553,000		16,517,000
Add. paid-in capital		74,816,000		73,604,000
Retained earnings		289,235,000		277,005,000
Treasury stock		(634,000)		(615,000)
Other		(1,842,000)		(838,000)
Total Liabilities & Shareholders' Equity	$	519,932,000	$	496,541,000

‡ Restated
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1.25 par value.

Statistical Summary

% Income bef. Taxes to Sales		7.87		11.49
% Net Income to Sales		5.69		7.73
% Net Income to Equity		7.17		9.91
Sales to Inventories		4.96		6.11
Debt to Equity		0.01		0.02
Working Capital	$	197,292,000	$	185,488,000
Current Ratio		2.70		2.67
Shareholders' Equity	$	378,128,000	$	365,673,000

Digital Communications Associates, Inc.

1000 Alderman Drive
Alpharetta, Georgia 30201-4199
(404) 442-4000
FAX: (404) 442-4361

Officers: Bertil D. Nordin, chairman & chief exec. officer; Charles G. Betty, president & chief operating officer; David A. Brookmire, vice president; Craig J. Huffaker, exec. v.p., chief financial officer, secretary & treasurer; Paul A. Rodwick, vice president; Jack E. Koch, vice president; H. David Miller, vice president.

Directors: Charles G. Betty, Jack F. Glenn, O. Gene Gabbard, Craig J. Huffaker, James L. Mann, Bertil D. Nordin, Joseph A. Sciulli.

Areas of Work: Designs, manufactures and markets data communications equipment and systems that allow the transfer of data between terminals and computers or between personal computers and mainframes, whether in remote or local settings.

Subsidiaries:

DCA International, Inc.
Foreign Sales Corporation (FSC).

DCA Investment Corporation
Investment transactions.

Digital Communcations Associates (Puerto Rico) Corp.
Manufacturing

Forte Communications, Inc.
2205 Fortune Drive
San Jose, California 95131
(408) 432-9111
Manufactures and markets electronic data communication equipment.

Cohesive Network Corporation
150 Knowles Drive
Los Gatos, California 95030
(408) 370-4100
Manufactures and markets electronic data communication equipment.

Microstuf, Inc.
Develops and markets computer software.

Fox Research, Inc.
Develops, manufactures and markets local area networks for personal computers.

Acquisition:

Pacific Data Products, Inc.
A designer, manufacturer and marketer of software products and memory boards that expand the capabilities of laser printers.

Transfer Agent(s):

Citizens and Southern Trust Company
P.O. Box 105555
Atlanta, Georgia 30348-5555

Stock Exchange(s): New York

Ticker Symbol: DCA

Sales & Earnings

	Net Sales	Net Income †
1990	$ 203,156,000	$ 37,423,000
1989	208,226,000	17,710,000
1988	227,480,000	42,216,000
1987	181,399,000	28,433,000
1986	150,705,000	14,923,000

	No. of Com Shares ‡	Earn. per Share † ‡
1990	14,819,000	$ 2.53
1989	14,878,000	1.19
1988	15,252,000	2.77
1987	14,913,000	1.91
1986	13,530,000	1.10

† Including extraordinary gain of $1,400,000 ($0.09 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 235,128,000	$ 15.87
1989	218,709,000	14.70
1988	203,316,000	13.33
1987	157,296,000	10.55
1986	125,154,000	9.25

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1990	1989
Net sales	$ 203,156,191	$ 208,225,974
Cost of sales	70,408,187	74,877,667
Sell., gen., & adm. exp.	75,914,245	75,496,070
Res. & develop. exp.	25,523,592	29,812,087
Incompl. R & D proj. acq.	—	12,578,932
Interest income	(12,845,629)	(11,918,285)
Dispos. of assets & liab.	4,372,447	—
Income before taxes	$ 45,810,975	$ 25,748,267
Income taxes	8,388,000	8,038,000
Net Income	$ 37,422,975	$ 17,710,267

* Included in Costs and Expenses, Depreciation and Amortization: $10,635,904 in 1990 and $11,159,186 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 124,792,082	$ 166,318,491
Accts. receiv., net	30,926,525	37,040,221
*Inventories	22,549,812	16,906,262
Prepaid expenses	8,861,064	4,644,790
Current Assets	$ 187,129,483	$ 224,909,764
Investments	2,424,410	—
♯Fixed assets	21,012,473	27,392,063
Intangibles	72,764,134	4,521,608
Other assets	1,592,393	3,840,593
Total Assets	$ 284,922,893	$ 260,664,028

Liabilities

Accts. payable	$ 7,434,653	$ 7,792,672
Accrued compensation	13,339,329	12,126,225
Income taxes	15,561,242	15,410,834
Other accruals	13,459,890	6,625,651
Curr. Liabilities	$ 49,795,114	$ 41,955,382
+Common stock	1,470,131	1,470,170
Add. paid-in capital	105,051,390	99,915,183
Retained earnings	155,351,712	120,156,961
Treasury stock	(26,745,454)	(2,833,668)
Total Liabilities & Shareholders' Equity	$ 284,922,893	$ 260,664,028

* At lower of cost (FIFO) or market.
♯ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	22.55	12.37
% Net Income to Sales	18.42	8.51
% Net Income to Equity	15.92	8.10
Sales to Inventories	9.01	12.32
Working Capital	$ 137,334,369	$ 182,954,382
Current Ratio	3.76	5.36
Shareholders' Equity	$ 235,127,779	$ 218,708,646

Digital Equipment Corporation

146 Main Street
Maynard, Massachusetts 01754
(508) 897-5111
FAX: (508) 493-7633

Officers: Kenneth H. Olsen, president; Winston R. Hindle, Jr., sr. v.p.; John F. Smith, sr. v.p.-operations; John L. Alexanderson, v.p.-U.S. direct marketing; James M. Osterhoff, v.p.-finance; George A. Chamberlain, III, v.p-marketing finance; Don K. Busiek, v.p.-new business development; Henry J. Crouse, v.p.-strategic relations; James G. Cudmore, v.p.-product operations; William R. Demmer, v.p.-VAX/VMS Systems & Servers; Pier-Carlo Falotti, v.p. & president & chief exec. officer-Europe; William C. Hanson, v.p.-manufacturing operations; William R. Johnson, Jr., v.p.-telecommunications & networks group; William J. Heffner, v.p.-software systems; Jack MacKeen, v.p.-international accounts marketing; William D. Strecker, v.p.-engineering; Bruce J. Ryan, v.p. & controller; Albert E. Mullin, Jr., v.p.-corp. relations; Richard Poulsen, v.p.-general int'l area; F. Grant Saviers, v.p.-PC systems & peripherals; Godfrey S. Shingles, v.p., managing director, Digital Equipment Co.; Samuel H. Fuller, v.p.-research; David W. Grainger, v.p.-U.S. sales & service; Rose Ann Giordano, v.p.-eastern states; Robert Hughes, v.p.-national accounts; Peter J. Smith, v.p.-product & industry marketing; Harvey L. Weiss, v.p.-Government System Group; Richard H. Yen, v.p.-GIA manufacturing & engineering; Ilene B. Jacobs, v.p. & treasurer; Robert M. Glorioso, v.p.-information systems business; Donato A. Infante, Jr., v.p.-digital information management & technology; Edward B. McDonough, v.p.-GIA operations; Robert B. Palmer, v.p.-semiconductor & interconnect technology; John L. Sims, v.p.-strategic resources; David L. Stone, v.p.-software product group; Martin R. Hoffmann, v.p., general counsel, clerk & secretary; Donald P. Zereski, v.p.-customer services.

Directors: Vernon R. Alden, Arnaud de Vitry, Kenneth H. Olsen, Colby H. Chandler, William H. McLean, Philip Caldwell, Robert R. Everett.

Areas of Work: Designs, manufactures, sells and services computers and associated peripheral equipment, and related software and supplies. The Company's products are used worldwide in a variety of applications and programs, including scientific research and computation, communications, education, data analysis, industrial control systems, time sharing systems, commercial data processing systems, word processing, personal computing, health care, instrumentation, engineering and simulation.

Subsidiaries:

Digital Equipment, S.A. de C.V.
Apartado Postal 12-1009
Mexico 12, D.F.

Digital Equipment Corporation Oy
Soukantie 14
SF-02360 Sourra, Finland

Digital Equipment Comercio e Industria, Ltda.
Avenida Augusto Severo, 156-B
Lapa ZC06
20,000 Rio de Janeiro-Guanabara, Brazil

Computer Insurance Company Limited
Old Colony Insurance Ltd.
Reid House, P.O. Box 1826
Hamilton, 5-24, Bermuda

Digital Computer Hong Kong Limited
71 Catchick Street
13th floor, Green Island House
Kennedy Town, Hong Kong

Digital Equipment Corporation

Digital Computer Taiwan Limited
Taiwan, Republic of China

Digital Equipment Ireland Limited
Republic of Ireland

Digital Equipment Scotland Limited
Shiel House, Craigshill
G-B Livingston
West Lothian, Scotland

Digital Equipment B.V.
Digital Equipment International B.V.
KAAP Horndreef 38
P.O. Box 9064
Utrecht, Holland

Digital Equipment N.V.S.A.
108 Rue D'Arlon
B-1040 Bruxelles, Belgium

Digital Incorporated
Digital International Sales Corporation
DEC Ltd
7 Habikuk Street
Tel Aviv, Israel

Digital Equipment Corporation International (Europe)
12 Avenue des Morgines
Case Postale 176
CH1213 Petit-Lancy 1, Geneva, Switzerland

Digital Equipment Corp. A/S
Tonheimsveien 47
N-Oslo 5, Norway

Digital Equipment Corporation Ges. m.b.H
Mariahilferstrasse 136
A-1150 Wien 15, Austria

Digital Equipment New Zealand, Limited
Suite 18, Hilton House
430 Queen Street, P.O. Box 2471
Auckland, New Zealand

Digital Equipment Taiwan Limited
13-2 Nan Hsin Li, Tachi
Taoyuan, Taiwan, Republic of China

Digital Equipment Corporation ApS
Hellerupvej 66
DK-2900 Helleup, Denmark

Digital Equipment of Canada Ltd
100 Herzberg Road
Kanata, Ontario K2K 2A6 Canada
(613) 592-5111

Digital Equipment International GmbH
Digital Equipment GmbH
D-8000 Munich 40
Wallensteinplatz 2, West Germany

Digital Equipment Australia Pty. Ltd
123-125 Willoughby Road
P.O. Box 491-Crows Nest
New South Wales 2065, Australia

Digital Equipment Co. Limited
Fountain House, Butts Centre
Reading Berkshire RG 17 QN
United Kingdom

Digital Equipment France S.A.R.L.
2 Place Gustave Eiffel
Cidex L225
18, Rue Saarinen 94 533 Rungis, France

Digital Equipment AB
Englundsvaagen 7
S-17141 Solna, Sweden

Digital Equipment Corporation de Puerto Rico
P.O. Box 106
San German 00753 Puerto Rico
(809) 892-1946

Digital Equipment S.p.A.
Corso Garibaldi 49
I-20121 Milano, Italy

Digital Equipment Corp. S.A.
20, Quai Ernest Ansermet
Boite Postale 23
CH-1211 Geneva 8, Switzerland

Digital Equipment Corporation International
Maynard, Massachusetts

Digital Equipment Panama, Inc.
Digital Equipment Trinidad, Inc.
Digital Equipment Services, Inc.
Digital Growth, Inc.
Digital Realty Limited
Digital Equipmenht Singapore (PTE) Limited

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Boston*, Philadelphia*, Midwest*, Pacific, Cincinnati*, Zurich, Geneva, Basel, Frankfurt, Munich, Berlin *Unlisted trading privileges.

Ticker Symbol: DEC

Number of Employees:

1990	124,000	1987	110,500
1989	125,800	1986	94,700
1988	121,500		

Plant Footage:

1990	44,200,000 sq. ft.	1987	34,000,000
1989	42,300,000	1986	32,300,000
1988	N.A.		

N.A.-Not Available

Sales & Earnings

	Revenues ≠ (000's)	Net Income (000's)
1990	$ 12,942,523	$ 74,393
1989	12,741,956	1,072,610
1988	11,475,446	1,305,633
1987	9,389,444	1,137,435
1986	7,590,357	617,420

	No. of Com. Shares ‡	Earn. per Share ‡
1990	125,222,000	$ 0.59
1989	127,008,000	8.45
1989	131,923,000	9.90
1987	133,305,000	8.53
1986	130,792,000	4.81

≠ Includes services and other revenues.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	$ 8,181,914	$ 66.76
1989	8,035,673	66.12
1988	7,510,374	59.47
1987	6,293,471	49.87
1986	5,727,800	44.54

‡ Adjusted to relfect stock split.

Income Account*
(000's)

Year ended	6/30/90	7/1/89
Revenues		
Net sales	$ 8,145,491	$ 8,190,308
Service & other rev.	4,797,032	4,551,648
Total revenues	$ 12,942,523	$ 12,741,956
Cost of sales	3,825,897	3,468,307
Service expense	2,968,529	2,773,563
Expenses	5,585,482	5,163,997
Restruc. charges	550,000	—
Interest income	(142,015)	(124,021)
Interest expense	30,641	39,435
Income before taxes	$ 123,989	$ 1,420,675
Income taxes	49,596	348,065
Net Income	$ 74,393	$ 1,072,610

* Included in Costs and Expenses, Depreciation and Amortization: $796,201,000 in 1990 and $686,738,000 in 1989.

Assets
(000's)

As of	6/30/90	7/1/89
Cash & cash equiv.	$ 2,008,983	$ 1,655,264
Accts. receiv., net	3,206,765	2,965,408
*Inventories	1,538,258	1,638,001
Prepaid expenses	345,797	255,195
Deferred inc. taxes	521,809	381,140
Current Assets	$ 7,621,612	$ 6,895,008
≠Fixed assets	3,868,092	3,645,896
Other assets	165,117	126,875
Total Assets	$ 11,654,821	$ 10,667,779

Liabilities
(000's)

Bank loans & long-term debt, curr.	$ 12,538	$ 29,755
Accts. payable	660,819	553,818
Income taxes	453,997	445,977
Accrued payroll	472,153	300,393
Def. rev. & advances	903,038	833,831
Other curr. liabilities	787,224	230,265
Curr. Liabilities	$ 3,289,769	$ 2,394,039
Long-term debt	150,001	136,019
Deferred inc. tax credits	33,137	102,048
+Common stock	130,008	130,008
Add. paid-in capital	2,565,487	2,469,711
Retained earnings	6,257,199	6,366,418
Treasury stock	(770,780)	(930,464)
Total Liabilities & Shareholders' Equity	$ 11,654,821	$ 10,667,779

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $1 par value

Statistical Summary

% Income bef. Taxes to Revenues	0.96	11.15
% Net Income to Revenues	0.57	8.42
% Net Income to Equity	0.91	13.35
Debt to Equity	0.02	0.02
Working Capital	$ 4,331,843,000	$ 4,500,969,000
Current Ratio	2.32	2.88
Shareholders' Equity	$ 8,181,914,000	$ 8,035,673,000

Diodes Incorporated

9957 Canoga Avenue
Chatsworth, California 91311-9934
(818) 882-4920
FAX (818) 341-1736

Officers: Thomas Hurley, chairman of the board, president & chief exec. officer; Edward Y. Gerding, v.p.-engineering; Joseph Liu, v.p.-administration, secretary; Christian Jensen, treasurer

Directors: Thomas Hurley, chairman; Dr. Shing Mao, Michael A. Rosenberg, Michael R. Giordano

Areas of Work: Manufactures and markets silicon rectifier products, including semiconductor wafers, rectifiers, zener diodes, switching and superfast diodes and rectifier assemblies

Subsidiaries:

NAE, Inc
69 Bennett Street
Lynn, Massachusetts
Manufactures Schottky and other semiconductor wafers and assembles associated rectifier devices

Diodes Taiwan Company Ltd.
Taipei, Taiwan, R.O.C

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: DIO

Number of Employees:

1990	61	1987	71
1989	59	1986	78
1988	N.A.		

Plant Footage:

1990	37,300 sq. ft.	1987	56,600
1989	70,000	1986	56,600
1988	62,000		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 12,843,287	$ (552,048)
1989	13,795,277	(2,913,151)
1988	15,169,694	621,326
1987	12,287,409	(631,901)
1986	11,149,310	(415,659)

	No. of Com. Shares	Earn. per Shares ‡ +
1990	4,623,300	$ —
1989	3,737,193	—
1988	3,848,570	0.25
1987	2,119,129	—
1986	2,037,159	—

(Loss)
‡ Including extraordinary gain of $239,239 ($0.10 per share) in 1988
+ Based on the average number of shares outstanding

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 5,283,720	$ 1.14
1989	4,105,745	1.10
1988	7,058,010	1.83
1987	3,951,729	1.86
1986	4,522,342	2.22

Income Account *

Year ended April 30	1990	1989
Net sales	$ 12,843,287	$ 13,795,277
Cost of sales	9,170,437	10,460,265
Expenses	3,657,898	3,567,722
Restruc. charge	262,092	2,580,066
Litigation settle.	125,000	—
Interest expense	243,412	315,491
Interest income	(69,180)	(68,426)
Other expense (income)	5,676	(146,690)
Net Loss	$ (552,048)	$ (2,913,151)

* Included in Costs and Expenses, Depreciation and Amortization: $189,583 in 1990 and $304,584 in 1989.

Assets

As of April 30	1990	1989
Cash	$ 1,557,777	$ 198,423
Accts. receiv., net	2,139,760	2,167,436
*Inventories	3,053,216	4,173,592
Prepaid expenses	116,336	84,846
Current Assets	$ 6,867,089	$ 6,624,297
#Fixed assets	1,405,194	1,776,812
Deferred inc. taxes	78,796	159,802
Other assets	141,955	100,969
Total Assets	$ 8,493,034	$ 8,661,880

Liabilities

Note payable	$ —	$ 950,000
Long-term debt, curr.	375,386	466,962
Accts. payable	691,077	647,580
Accruals	712,288	694,493
Curr. Liabilities	$ 1,778,751	$ 2,759,035
Long-term oblig.	1,153,746	1,552,673
Deferred comp. payable	276,817	244,427
+ Common stock	3,345,059	2,678,392
Add. paid-in capital	4,368,614	3,186,099
Retained earnings (deficit)	(779,491)	(227,443)
Treasury stock	(1,050,462)	(781,303)
Notes & stock subscrip.	(600,000)	(750,000)
Total Liabilities & Shareholders' Equity	$ 8,493,034	$ 8,661,880

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.66 2/3 par value

Statistical Summary

Sales to Inventories	4.21	3.31
Debt to Equity	0.29	0.72
Working Capital	$ 5,088,338	$ 3,865,262
Current Ratio	3.86	2.40
Shareholders' Equity	$ 5,283,720	$ 4,105,745

Dionics, Inc.

65 Rushmore Street
Westbury, New York 11590
(516) 997-7474
FAX (516) 997-7479

Officers: Bernard L. Kravitz, president; Sherman Gross, v.p., secretary & treasurer

Directors: Bernard L. Kravitz, Sherman Gross, Solomon Berkowitz

Areas of Work: Engaged in the development, manufacture and marketing of silicon semiconductor electronic products — both individual, discreet components and multi-component integrated circuits

Transfer Agent(s):

American Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	45	1986	62
1988	45	1985	58
1987	51		

Plant Footage:

1989	20,000 sq. ft.	1988	20,000

Sales & Earnings

	Net Sales	Net Income
1989	$ 2,405,900	$ (465,900)
1988	1,671,500	(856,900)
1987	2,773,100	(360,100)
1986	2,807,400	127,100
1985	3,042,900	168,100

	No. of Com. Shares †	Earn. per Share +
1989	3,333,678	$ —
1988	3,333,578	—
1987	3,333,278	—
1986	3,321,658	0.04
1985	3,302,774	0.05

(Loss)
† Adjusted to reflect stock split.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 125,600	$ 0.04
1988	566,500	0.17
1987	1,423,400	0.43
1986	1,821,900	0.55
1985	1,674,500	0.51

+ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 2,405,900	$ 1,671,500
Cost of sales	1,831,200	1,948,000
Expenses	880,800	1,011,300
Interest expense	164,600	68,700
Other income	(4,800)	(14,500)
Insurance proceeds	—	(372,100)
Loss before taxes	$ (465,900)	$ (969,900)
Tax credit	—	(113,000)
Net Loss	$ (465,900)	$ (856,900)

* Included in Costs, and Expenses, Depreciation and Amortization: $196,000 in 1989 and $195,100 in 1988

Assets

As of Dec. 31	1989	1988
Cash	$ 109,000	$ 107,800
Accts. receiv., net	321,700	186,100
*Inventories	230,500	385,900
Insurance claim	300,000	—
Other curr. assets	22,400	93,900
Current Assets	$ 983,600	$ 773,700

# Fixed assets	995,600	1,168,500
Insurance claim	50,000	—
Other assets	164,000	92,100
Total Assets	$ 2,193,200	$ 2,034,300

Liabilities

Note payable	$ 150,000	$ —
Long-term debt, curr.	101,600	148,000
Accts. payable	226,400	107,400
Accruals	225,500	181,500
Curr. Liabilities	$ 703,500	$ 436,900
Long-term debt	1,115,600	902,600
Deferred comp.	198,500	128,300
Deferred insur. proceeds	50,000	—
+ Common stock	36,400	36,400
Add. paid-in capital	1,522,800	1,522,800
Retained earnings (deficit)	(1,170,200)	(704,300)
Treasury stock	(240,100)	(240,100)
Note receivable	(23,300)	(48,300)
Total Liabilities & Shareholders' Equity	$ 2,193,200	$ 2,034,300

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	10.44	4.33
Debt to Equity	10.89	1.85
Working Capital	$ 280,100	$ 336,800
Current Ratio	1.40	1.77
Shareholders' Equity	$ 125,600	$ 566,500

Drexler Technology Corporation

2557 Charleston Road
Mountain View, California 94043
(415) 969-7277
FAX: (415) 969-6121

Officers: Jerome Drexler, chairman of the board & president; Jerald E. Rosenblum, secretary; Steven G. Larson, v.p.-finance & treasurer.

Directors: Jerome Drexler, chairman; Arthur H. Hausman, Eugene Kleiner, William E. McKenna.

Areas of Work: Manufactures emulsion photoplates for integrated circuit manufacture; and optical memory cards for data storage.

Divisions and Subsidiaries:

Precision Photoglass, Inc.
2557 Charleston Road
Mountain View, California 94043
(415) 961-0700

LaserCard Systems Corporation
2644 Bayshore Parkway
Mountain View, California 94043
(415) 969-4428

Transfer Agent(s):

First Interstate Bank, Ltd.
Stock Services Department
P.O. Box 54261, Terminal Annex
Los Angeles, California 90054

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRXR (NASDAQ)

Number of Employees:

1991	N.A.	1988	69
1990	60	1987	206
1989	70		

N.A.-Not Available

Plant Footage:

1991	N.A.	1988	104,000
1990	196,000 sq. ft.	1987	120,000
1989	104,000		

N.A.-Not Available

Sales & Earnings

	Revenues +	Net Income
1991	$ 11,774,000	$ 1,724,000
1990	1,729,000	(6,935,000)
1989	16,215,000	3,412,000
1988*	3,280,000	(9,201,000)
1987	6,717,000	(5,724,000)

	No. of Com. Shares #	Earn. per Share #
1991	6,983,000	$ 0.25
1990	6,890,000	—
1989	6,831,000	0.50
1988*	6,626,000	—
1987	6,498,000	—

(Loss)
* 53 weeks.
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1991	$ 11,391,000	$ 1.63
1990	8,997,000	1.31
1989	15,499,000	2.27
1988	11,213,000	1.69
1987	19,054,000	2.93

Based on the weighted average number of shares outstanding.

Income Account *

Year ended Mar. 31	1991	1990
Revenues:		
Prod. sales	$ 1,774,000	$ 1,729,000
License fees	10,000,000	—
Total revenues	$ 11,774,000	$ 1,729,000
Cost of sales	1,397,000	1,355,000
Expenses	7,640,000	7,601,000
Interest income	(240,000)	(532,000)
Interest expense	136,000	240,000
Inc. (loss) bef. taxes	$ 2,841,000	$ (6,935,000)
Income taxes	1,117,000	—
Net Income (Loss)	$ 1,724,000	$ (6,935,000)

* Included in Costs and Expenses, Depreciation and Amortization: $3,404,000 in 1991 and $2,208,000 in 1990.

Assets

As of Mar. 31	1991	1990
Cash & cash equiv.	$ 7,030,000	$ 2,165,000
Short-term invest.	—	103,000
Accts. receiv., net	202,000	241,000
*Inventories	366,000	672,000
Other curr. assets	139,000	158,000
Current Assets	$ 7,737,000	$ 3,339,000
#Fixed assets	4,119,000	7,289,000
Other assets	1,128,000	1,073,000
Total Assets	$ 12,984,000	$ 11,701,000

Liabilities

Long-term oblig., curr.	$ 417,000	$ 1,043,000
Accts. payable	247,000	233,000
Accrued payroll	360,000	238,000
Other accruals	419,000	410,000
Net liab.-discont. oper.	100,000	313,000
Current Liabilities	$ 1,543,000	$ 2,237,000
Long-term oblig.	50,000	467,000
+Common stock	71,000	69,000
Add. paid-in capital	22,456,000	21,788,000
Retained earnings (deficit)	(11,136,000)	(12,860,000)
Total Liabilities & Shareholders' Equity	$ 12,984,000	$ 11,701,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	24.13	—
% Net Income to Sales	14.64	—
% Net Income to Equity	15.13	—
Debt to Equity	0.04	0.17
Working Capital	$ 6,194,000	$ 1,102,000
Current Ratio	3.01	1.49
Shareholders' Equity	$ 11,391,000	$ 8,997,000

DSC Communications Corporation

1000 Colt Road
Plano, Texas 75075-5813
(214) 519-3000
FAX: (214) 519-3105

Officers: James L. Donald, chairman, president & chief operating officer; Gunnar J. Korpinen, sr. v.p.; David M. Holland, sr. v.p.; Gerald F. Montry, sr. v.p. & chief financial officer; Christian J. Ornes, v.p. & treasurer; William R. Tempest, v.p., secretary & general counsel; Kenneth R. Vines, v.p. & controller; James D. Wilhite, v.p.-operations; J. Douglas Bailey, v.p.; Gerald G. Carlton, v.p.; John W. Bischoff, v.p.; John W. Bischoff, v.p.; Gerald G. Carlton, v.p.; Frank J. Perpiglia, v.p.

Directors: James L. Donald, Jr., Erich Bloch, Frank J. Cummiskey, Clement M. Brown, Robert S. Folsom, Gunnar J. Korpinen, James P. Leake, Gerald F. Montry, James L. Fischer, L. Mark Newman, James M. Nolan, Jim A. Watson.

Areas of Work: Designs, manufactures and markets digital switching, transmission and private network system products for the worldwide telecommunications market place.

Acquisitions

Optilink Corporation

Integrated Telecom Corporation

Transfer Agent(s):

NCNB Texas National Bank
P.O. Box 830345
Dallas, Texas 75283-0345

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DIGI (NASDAQ)

Number of Employees:

1990	4,043	1987	2,543
1989	3,317	1986	2,365
1988	2,766		

Plant Footage:

1990	N.A.	1988	1,056,000
1989	1,277,000 sq. ft.		

N.A.-Not Available

Sales & Earnings

	Revenue +	Net Income †
1990	$ 519,298,000	$ 20,122,000
1989	429,730,000	33,324,000
1988	339,671,000	12,568,000
1987	266,332,000	18,368,000
1986	195,031,000	16,951,000

	No. of Com. Shares	Earn. per Shares † ‡
1990	40,695,000	$ 0.47
1989	40,169,000	0.79
1988	39,027,000	0.30
1987	39,901,000	0.44
1986	40,966,000	0.41

(Loss)

+ Of continuing operations only.

† Including extraordinary gains of $856,000 ($0.02 per share) in 1988, $3,806,000 ($0.09 per share) in 1987, $5,913,000 ($0.14 per share) in 1986, and an extraordinary loss of $209,000 in 1990.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 279,221,000	$ 6.86
1989	253,916,000	6.32
1988	215,914,000	5.53
1987	210,840,000	5.28
1986	201,339,000	4.91

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Revenue	$ 519,298	$ 429,730
Cost of revenue	327,631	254,370
Expenses		
Res. & develop.	51,792	43,944
Sell., gen. and adm.	86,782	77,892
Nonrecurring charges	7,544	—
Other oper. costs	1,977	—
Interest expense	20,666	14,246
Interest income	(4,412)	(5,447)
Other expense	87	357
Income before taxes	$ 27,231	$ 44,368
Income taxes	6,900	10,204
Inc. - cont. oper.	$ 20,331	$ 34,164
Loss - discont. oper.	—	(840)
Net Income	$ 20,331	$ 33,324
Extraord. loss	(209)	—
Net Income & extraord. loss	$ 20,122	$ 33,324

* Included in Costs and Expenses, Depreciation and Amortization: $37,878,000 in 1990 and $28,184,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 34,974	$ 68,272
Accts. receiv., net	164,471	120,587
*Inventories	181,136	153,842
Contract develop. costs	13,317	10,875
Other curr. assets	11,414	9,943
Current Assets	$ 405,312	$ 363,519
≠Fixed assets	187,456	146,510
Long-term receivables	37,141	16,331
Cap. software develop. costs	39,739	29,574
Cost in exc. of assets acq.	69,430	522
Net assets - discont. oper.	1,174	3,914
Other assets	19,172	9,625
Total Assets	$ 759,424	$ 569,995

Liabilities
(000's)

Notes payable	$ 56,750	$ —
Long-term debt, curr.	49,991	11,888
Accts. payable	48,653	28,608
Accruals	74,295	73,081
Customer advances	16,696	9,650
Income taxes payable	5,596	6,688
Curr. Liabilities	$ 251,981	$ 129,915
Long-term debt	208,973	178,952
Deferred inc. taxes	19,249	7,212
+Common stock	456	443
Add. paid-in capital	202,967	189,059
Accum. trans. adjust.	241	(232)
Retained earnings	117,509	97,387
Treasury stock	(41,952)	(32,741)
Total Liabilities & Shareholders' Equity	$ 759,424	$ 569,995

* At lower of average cost or market.

≠ Less accumulated depreciation and amortization.

+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Revenue	5.24	—
% Net Income to Revenue	3.92	—
% Net Income to Equity	7.28	13.12
Debt to Equity	1.13	0.75
Working Capital	$ 153,331,000	$ 233,604,000
Current Ratio	1.61	2.80
Shareholders' Equity	$ 279,221,000	$ 253,916,000

Ducommun Incorporated

23301 S. Wilmington Avenue
Carson, California 90745
(213) 513-7200
FAX: (213) 513-7298

Officers: Norman A. Barkeley, chairman of the board, president & chief executive officer; Kenneth R. Pearson, v.p.-human resources; James S. Heiser, v.p., general counsel & secretary; Samuel D. Williams, controller & assistant treasurer.

Directors: Norman A. Barkeley, chairman; H. Frederick Christie, Robert C. Ducommun, Charles W. Missler, Richard J. Pearson, Thomas P. Mullaney, Arthur W. Schmutz, Donald R. Schort.

Divisions and Subsidiaries:

Aerochem, Inc.
1885 N. Batavia Street
Orange, California 92667
(714) 637-4401

Specialist in the field of large scale, close tolerance chemical processes for the aerospace and military/commerical aircraft industries. Chemical milling processes are used to reduce the weight of structural components while maintaining the strength.

AHF-Ducommun Incorporated
Gardena, California

Uses stretch forming, thermal forming and computer-controlled machining to design and engineer aircraft and aerospace components.

Jay-El Products Inc.
Gardena, California

Manufactures illuminated switches, switch assemblies and keyboard panels.

Transfer Agent(s):

First Interstate Bank
Los Angeles, California 90030

Stock Exchange(s): American, Pacific

Ticker Symbol: DCO

Number of Employees:

1990	771	1988	990
1989	900	1987	1,180

Plant Footage:

1990	662,000 sq. ft.	1988	662,000
1989	662,000	1987	662,000

Sales & Earnings

	Net Sales +	Net Income ≠
1990	$ 74,697,000	$ 1,843,000
1989	68,571,000	602,000
1988	59,812,000	(19,375,000)
1987	64,084,000	(18,078,000)
1986	67,973,000	(19,213,000)

	No. of Com. Shares	Earn. per Share ≠ ‡
1990	3,321,235	$ 0.54
1989	3,304,035	0.18
1988	3,304,035	—
1987	3,304,035	—
1986	3,277,377	—

(Loss)

+ Of continuing operations only.

≠ Including extraordinary gain of $111,000 ($0.03 per share) in 1990.

‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	0.20	—	—
1986	0.35	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ (6,612,000)	$ —
1989	(8,488,000)	—
1988	(9,090,000)	—
1987	33,768,000	10.22
1986	53,035,000	16.18

(Deficiency)

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 74,697	$ 68,571
Cost of sales	56,126	52,721
Expenses	11,797	9,524
Interest exp.	4,639	5,247
Loss on sublease prop.	349	—
Inc. before taxes	$ 1,786	$ 1,079
Income taxes	54	21
Inc. cont. oper.	$ 1,732	$ 1,058
Loss-discont. oper.	—	(456)
Net Income	$ 1,732	$ 602
Extraord. gain	111	—
Net Income & extraord. gain	$ 1,843	$ 602

* Included in Costs and Expenses, Depreciation and Amortization: $3,192,000 in 1990 and $3,267,000 in 1989.

Ducommun Incorporated

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 95	$ 227
Accts. recvs., net	10,584	10,353
*Inventories	10,630	11,565
Notes & other recvls	589	1,478
Other curr. assets	693	607
Current Assets	$ 22,591	$ 24,230
≠Fixed assets	26,000	27,222
Exc. of cost over assets acq.	3,430	3,534
Other assets	1,204	1,773
Total Assets	$ 53,225	$ 56,759

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 1,069	$ 74
Accts. payable	4,634	4,073
Accruals	9,905	9,221
Curr. Liabilities	$ 15,608	$ 13,368
Long-term debt	4,825	12,379
Convert. subord. notes	39,200	39,500
Other liabilities	204	—
•Common stock	33	6,834
Add. paid-in capital	26,713	19,879
Retained earnings (deficit)	(33,358)	(35,201)
Total Liabilities & Shareholders' Equity	$ 53,225	$ 56,759

* At lower of cost (FIFO) or market

≠ Less accumulated depreciation and amortization

• $0.01 par value in 1990; $2 par in 1989

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	2.39	—
% Net Income to Sales	2.32	—
Sales to Inventories	7.03	5.93
Working Capital	$ 6,983,000	$ 10,862,000
Current Ratio	1.45	1.81
Shareholders' Equity (Deficiency)	$ (6,612,000)	$ (8,488,000)

E.I. du Pont de Nemours & Company

1007 Market Street
Wilmington, Delaware 19898
(302) 774-1000
FAX (302) 774-0145

Officers: Edgar S. Woolard, Jr., chairman of the board & chief executive officer; Elwood P. Blanchard, Jr., vice chairman; Constantine S. Nicandros, exec. v.p.-Du Pont, pres. & chief exec. officer-Conoco Inc.; J. Edward Newall, sr. v.p. agricultural products; John Krol, group v.p.-agricultural products; Ross W. Fasick, sr. v.p.-automotive products; Robert Luft, sr. v.p.-chemicals; Charles L. Henry, sr. v.p.-electronics; John A. Krol, sr. v.p. fibers; Mark A. Suwyn, sr. v.p. imaging systems & medical products; Archie W. Dunham, sr. v.p.-polymers; William K. Dietrich, sr. v.p.-Du Pont, exec. v.p.-Conoco; Max G. Pitcher, sr. v.p.-Du Pont; Harry C. Sager, sr. v.p. Du Pont, exec. v.p.-Conoco; Colin H. Lee, sr. v.p. Du Pont, exec. v.p.-Conoco refining, marketing; John I. Horning, v.p.-Du Pont & president Dubai Petroleum Company; Robert E. McKee, III, v.p.-Du Pont & chairman & managing director-Conoco (U.K.); Gary W. Edwards, v.p.-Du Pont & chairman-Conoco; D. John Ogren, v.p.-Du Pont & senior v.p.-Conoco; Bobby R. Brown, sr. v.p.-Du Pont, president & CEO-Consolidation Coal Company; Jerald A. Blumberg, sr. v.p.-corporate plans & human resources; Michael B. Emery, sr. v.p.-engineering; John R. Malloy, sr. v.p.-external affairs; John J. Quindlen, sr. v.p. finance; Michael T. Sharples, v.p. finance & corp. treasurer; Earl L. Timmons, v.p. finance & corp. controller; Raymond E. Cairns, Jr., sr. v.p. information systems; John F. Schmutz, sr. v.p. & general counsel; David M. Francis, v.p. & assistant general counsel; Robert C. Kline, v.p. & assistant general counsel; Howard J. Rudge, v.p. & assistant general counsel; Roger W. Arrington, corp. secretary; W. Earl Tatum, sr. v.p.-material; Alexander MacLachlan, sr. v.p. research & development; Charles O. Holliday, Jr., v.p.-Du Pont & pres.-Asia Pacific; Michael J. R. Allen, presient Du Pont Japan Limited; David V.S. Williamson, v.p.-Du Pont & president Europe; Raul Munoz, president-Mexico; Jorge N. Rosas, general director South America & pres. Brazil; Richard A. Stuckey, chief economist.

Directors: Edgar S. Woolard, Jr., chairman of the board; Elwood P. Blanchard, Jr., Andrew F. Brimmer, Charles R. Bronfman, Edgar M. Bronfman, Charles L. Brown, Louisa C. Duemling, Edward B. du Pont, Richard E. Heckert, Edward G. Jefferson, Howard W. Johnson, E. Leo Kolber, Margaret P. MacKimm, Dean R. McKay, Constantine S. Nicandros, David G. Sacks, H. Rodney Sharp, III, John L. Weinberg.

Areas of Work: Operations are divided into the following industrial segments: biomedical products; industrial and consumer products; fibers; polymer products; agricultural and industrial chemicals; petroleum exploration; petroleum refining, marketing and transportation; and coal. Biomedical products include clinical instruments and X-ray products used in medical diagnosis; prescription pharmaceuticals; radiopharmaceuticals and radioactive tracer chemicals; and biomedical instruments used principally in research. Industrial and consumer products include photographic products and systems for printing, engineering reproduction, data recording and micrographic markets; electronic products for high-density microcircuits, resistor networks and printed circuit boards; electronic connectors; chromium dioxide magnetic particles used in audio and video tapes and cassettes, and for data storage; finishes for the automotive and other industries; nonstick coatings; analytical instruments for research and industrial process monitoring; and sporting firearms and ammunition. Man-made fiber products consist of specialty fibers for apparel and home fabrics, carpeting and industrial applications. Polymer products include plastic resins, elastomers, and films and other fabricated products. Agricultural chemical operations include worldwide manufacture and sales of fungicides, herbicides and insectides for crop protection. Industrial chemicals comprise a range of such commodity and specialty products as pigments, organic chemicals, fluorochemicals, petroleum additives, mineral acids and other inorganics. Principal petroleum products include gasoline, jet fuel, diesel fuel, heating oil, fuel oil, asphalt, petroleum coke, natural gas, liquids and chemical feedstocks.

Industrial Businesses:

Du Pont Agricultural Products
Du Pont Automotive Products
Du Pont Chemicals
Du Pont Electronics
Du Pont Fibers
Du Pont Imaging Systems
Du Pont Medical Products
Du Pont Polymers
Du Pont Sporting Goods

Subsidiaries:

Du Pont Energy Company

Conoco Inc.

Remington Arms Company, Inc.
Wilmington, Delaware

Du Pont Taiwan Ltd.
Taipei, Taiwan

Du Pont (Australia) Limited
Sydney, Australia

Du Pont (New Zealand) Ltd.
New Zealand

Du Pont, S.A. de C.V.
Mexico, D.F., Mexico

Du Pont de Colombia, S.A.
Bogota, Colombia

Du Pont Argentina S.A.
Bogota, Colombia

Du Pont China Limited
Wilmington, Delaware

Du Pont Canada Inc.
Montral, Quebec, Canada

Du Pont de Nemours (Belgium)
Brussels, Belgium

Du Pont de Nemours (Deutschland) GmbH
Dusseldorf, Germany

Du Pont de Nemours International S.A.
Carouge, (Geneva), Switzerland

Du Pont de Nemours Italiana S.p.A.
Milan, Italy

Du Pont de Nemours (Luxembourg) S.A.
Contern, Luxembourg

Du Pont Photolux, S.A.
Luxembourg

Du Pont de Nemours (Nederland) B.V.
Dordrecht, Netherlands

Dupont Iberica, S.A.
Spain

Du Pont de Venezuela C.A.
Caracas, Venezuela

Du Pont do Brasil S.A.
Sao Paulo, Brazil

Du Pont Far East Inc.
Wilmington, Delaware

Du Pont de Nemours (France) S.A.
Paris, France

Du Pont Japan Limited
Japan

Du Pont Singapore Pte. Ltd.
Singapore

Consolidation Coal Company
Pittsburgh, Pennsylvania

Du Pont Asia Pacific Ltd.
Wilmington, Delaware

Affiliated Companies:

Du Pont Lanxide Electronics, Inc. (50% owned)
Wilmington, Delaware

Acquisition:

Howson-Algraphy
A U.K.-based manufacturer of offset plates

Fibremakers
Australia

Cedel, S.A.
France

Biolistics, Inc.

Zootechniki
Greece

Crosfield Electronics Ltd.
United Kingdom

Societe Francaise Duco
France

Transfer Agent(s):

E.I. du Pont de Nemours & Company
Stockholder Relations
Nemours Building 10th Floor
10th & Orange Streets
Wilmington, Delaware

Mailing Address:

1007 Market Street
Wilmington, Delaware 19898

Stock Exchange(s): New York

Ticker Symbol: DD

Number of Employees:

1990	143,961	1987	140,145
1989	145,787	1986	141,268
1988	140,949		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 40,047,000	$ 2,310,000
1989	35,534,000	2,480,000
1988	32,360,000	2,190,000
1987	29,931,000	1,786,000
1986	26,834,000	1,538,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	675,960,751	$ 3.40
1989	700,506,000	3.53
1988	717,893,000	3.04
1987	720,647,000	2.46
1986	721,581,000	2.12

‡ Based on the average number of common shares outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

	1990	1989
Chemicals	$ 3,677,000	$ 3,702,000
Fibers	6,085,000	5,966,000
Polymers	5,809,000	5,581,000
Petroleum	15,976,000	12,314,000
Coal	1,803,000	1,818,000
Diversified businesses	6,697,000	6,153,000
Total	$ 40,047,000	$ 35,534,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.62	—	—
1989	1.45	—	3-for-1
1988	1.23 1/3	—	—
1987	1.10	—	—
1986	1.01 2/3	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share #
1990	$ 16,181,000	$ 24.16
1989	15,561,000	22.71
1988	15,343,000	21.36
1987	14,007,000	19.55
1986	13,137,000	18.25

‡ After allowing for preferred stock at stated values
# Adjusted to reflect stock split

Income Account
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 40,047,000	$ 35,534,000
Other income	512,000	420,000
Total income	$ 40,559,000	$ 35,954,000
Cost of sales	22,945,000	19,604,000
Expenses	3,718,000	3,377,000
Deprec., deplet. & amort.	2,625,000	2,530,000
Explor. expenses	560,000	430,000
Res. & develop. expenses	1,428,000	1,387,000
Interest expense	773,000	586,000
Taxes	4,356,000	3,716,000
Income bef. taxes	$ 4,154,000	$ 4,324,000
Income taxes	1,844,000	1,844,000
Net Income	$ 2,310,000	$ 2,480,000

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 611,000	$ 692,000
Accts. & notes receiv., net	6,204,000	5,298,000
*Inventories	4,893,000	4,910,000
Prepaid expenses	525,000	444,000
Current Assets	$ 12,233,000	$ 11,344,000
Investment in affil.	801,000	858,000
#Fixed assets	21,102,000	18,876,000
Other assets	3,992,000	3,637,000
Total Assets	$ 38,128,000	$ 34,715,000

Liabilities
(000's)

	1990	1989
Short-term debt & cap. lease oblig., curr.	$ 3,928,000	$ 3,839,000
Accts. payable	3,172,000	2,889,000
Income taxes	265,000	387,000
Accruals	2,658,000	2,233,000
Curr. Liabilities	$ 10,023,000	$ 9,348,000
Long-term debt	5,583,000	4,080,000
Cap. lease oblig.	80,000	69,000
Other liabilities	2,582,000	2,260,000
Deferred inc. taxes	3,307,000	3,037,000
Minority interest	135,000	123,000
+Preferred stock		
$4.50 series	167,000	167,000
$3.50 series	70,000	70,000
+ +Common stock	402,000	411,000
Add. paid-in capital	4,342,000	4,399,000
Retained earnings	11,437,000	10,751,000
Total Liabilities & Shareholders' Equity	$ 38,128,000	$ 34,715,000

* Valued at LIFO cost
# Less accumulated depreciaton and obsolescence
+ No par value; cumulative
+ + $0.60 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	10.37	12.17
% Net Income to Sales	5.77	6.98
% Net Income to Equity	14.07	15.70
Sales to Inventories	8.18	7.24
Debt to Equity	0.58	0.51
Working Capital (000's)	$ 2,210,000	$ 1,996,000
Current Ratio	1.22	1.21
Shareholders' Equity (000's)	$ 16,418,000	$ 15,798,000

Dynamics Corporation of America

475 Steamboat Road
Greenwich, Connecticut 06830
(203) 869-3211
FAX (203) 869-8708

Officers: Andrew Lozyniak, chairman of the board & president; Edward J. Mooney, vice chairman of the board, v.p. & secretary; Henry V. Kensing, v.p. & general counsel; Patrick J. Dorme, v.p.-finance & chief financial officer; Richard F. Smith, treasurer; M. Gregory Bohnsack, controller

Directors: Frank A. Gunther, Henry V. Kensing, Andrew Lozyniak, Edward J. Mooney, Saul Sperber, Harold Cohan, Patrick J. Dorme

Area of Work: Operations are divided into three industry segments: electrical appliances and electronic devices; fabricated metal products and equipment; and power and controlled environmental systems.

Divisions:

Anemostat Products
888 North Keyser Avenue
Scranton, Pennsylvania 18504-9723
(717) 346-6586

Designs, manufactures and markets a broad line of air distribution equipment with both pneumatic and electronic controls to meet the need for total environmental control in laboratories, industrial buildings, commercial buildings, and air distribution in aircraft, marine and rail equipment.

Fermont
141 North Avenue
Bridgeport, Connecticut 06606-5195
(203) 366-5211

Manufactures standby and prime power generator sets, control systems, switchgear, power vans, special purpose trailers and accessories for use by the government, prime contractors and commercial business.

Ellis and Watts
4400 Glen Willow Lake Lane
P.O. Box 44010
Cincinnati, Ohio 45244-0010
(513) 891-8000

Air and liquid special cooling and temperature control devices, dehydrators, fluid transfer units, air handling equipment, special fans, and electronic trailers for government industrial and power use.

Reeves-Hoffman
400 West North Street
Carlisle, Pennsylvania 17013-2248
(717) 243-5929

Manufactures quartz crystal products, primarily crystal units, blanks, filters and oscillators for frequency controlled applications in weapons, radar, data transmission and telecommunication systems and hermetic seal packages that are used in the hybrid micro-electronic industry for both consumer and high reliability military electronic integrated circuits.

Waring Products
283 Main Street
New Hartford, Connecticat 06057-0319
(203) 379-0731

Manufactures commercial and consumer portable electrical appliances such as the original blender, mixers, can openers, food slicers, food processors, juicers, coffee preparation products, ice cream makers and food dehydrators.

Subsidiary:

International Electronic Research Corporation
135 West Magnolia Boulevard
Burbank, California 91510-7704
(213) 849-2481

Manufactures board mounted and extruded semiconductor heat sinks/dissipators, Zero Insertion Force circuit board retainers, high performance card cages, cold walls, enclosures, tube shields and other thermal packaging components.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: DYA

Number of Employees:

1990	1,457	1987	1,719
1989	1,539	1986	1,683
1988	1,693		

Dynamics Corporation of America

Plant Footage:

1990	1,114,000 sq. ft.	1987	1,114,000
1989	1,114,000	1986	1,114,000
1988	1,114,000		

Sales & Earnings

	Net Sales +	Net Income ‡
1990	$ 121,413,000	$ 1,103,000
1989	126,856,000	2,354,000
1988	127,288,000	5,026,000
1987	120,789,000	3,776,000
1986	139,223,000	1,076,000

	No. of Com. Shares †	Earn. per Share ‡ †
1990	3,914,682	$ 0.28
1989	4,026,207	0.58
1988	4,044,561	1.24
1987	4,135,459	0.91
1986	4,164,870	0.26

+ Of continuing operations only.
‡ Including extraordinary gains of $100,000 ($0.02 per share) in 1987 and $617,000 ($0.15 per share) in 1986.
† Based on the average number of common shares outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Electrical appliances & electronic devices	$ 54,883	$ 59,930
Fabricated metal products & equipment	22,856	21,760
Power & controlled environmental systems	43,674	45,166
Total	$ 121,413	$ 126,856

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.20	—	—
1989	0.20	—	—
1988	0.20	—	—
1987	0.20	—	—
1986	0.20	—	—

Commor. tock Equity

	Total Equity	Equity Per Share
1990	$ 93,167,000	$ 24.01
1989	94,161,000	23.72
1988	94,338,000	23.34
1987	89,523,000	22.17
1986	88,889,000	21.50

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 121,413	$ 126,856
Cost of sales	94,707	99,527
Expenses	25,890	29,586
Other expense	647	27
Inc. (loss) bef. taxes	$ 169	$ (2,284)
Income taxes (credit)	160	(1,827)
Eq. in income of unconsol. affil.	(1,094)	(2,811)
Net Income	$ 1,103	$ 2,354

* Included in Costs and Expenses, Depreciation and Amortization: $1,609,000 in 1990 and $1,803,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 1,353	$ 1,704
Marketable securities	2,211	5,711
Accts. receiv., net	22,602	21,874
*Inventories	24,020	22,442
Other current assets	2,118	2,281
Def. income taxes	4,777	5,382
Current Assets	$ 57,081	$ 59,394
≠Fixed assets	5,054	6,162
Eq. invest. in CTS Corp.	60,110	58,164
Other assets	4,011	3,625
Total Assets	$ 126,256	$ 127,345

Liabilities
(000's)

Long-term debt, curr.	$ 2,360	$ 370
Accts. payable	6,071	4,626
Accruals	19,753	21,918
Income taxes	3,023	4,133
Curr. Liabilities	$ 31,207	$ 31,047
Long-term debt	1,625	1,927
Deferred income taxes	257	210
+Common stock	388	397
Add. paid-in capital	11,313	11,548
Retained earnings	81,881	83,103
Deferred compensation	(415)	(887)
Total Liabilities & Shareholders' Equity	$ 126,256	$ 127,345

* At lower of cost (FIFO & LIFO) or market.
≠ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	0.14	—
% Net Income to Sales	0.91	1.86
% Net Income to Equity	1.18	2.50
Sales to Inventories	5.05	5.65
Debt to Equity	0.04	0.02
Working Capital	$ 25,874,000	$ 28,347,000
Current Ratio	1.83	1.91
Shareholders' Equity	$ 93,167,000	$ 94,161,000

Dynamics Research Corporation

60 Concord Street
Wilmington, Massachusetts 01887
(508) 658-6100
FAX: (508) 658-7975

Officers: John S. Anderegg, Jr., chairman of the board; Albert Rand, president, chief exec. officer & gen. mgr.-Systems Division; Joseph J. Bakewell, v.p. & gen. mgr.-Metrigraphics Division; Arthur Brown, v.p.-contracts; Charles G. Duffy, v.p. & asst. gen. mgr.-Systems Division; John L. Wilkinson, v.p.-human resources; Chester Ju, v.p. & gen. mgr.-Encoder Division; Joseph W. Griffin, Jr., v.p. & systems development group director; James F. Pablo, v.p.-finance, chief financial officer & treasurer; Thomas P. Graham, corp. controller; Vernon F. Vutech, v.p. & systems program group director; David C. Proctor, asst. treasurer; John R. D. McClintock, clerk; Nancy M. Bodenstein, assistant clerk.

Directors: John S. Anderegg, Jr., chairman; Thomas J. Troup, Sims McGrath, Francis J. Aguilar, Albert Rand, General James P. Mullins.

Areas of Work: The Company's Defense segment is involved in the development and operation of data gathering, analysis, planning and management systems for major weapon programs of the Department of Defense. The Commercial segment manufactures digital encoders that precisely measure position and control motion in electromechanical equipment, manufactures electro-optical discs, scales and reticles which are used for precision measurement, and components for non-impact print heads and printers.

Divisions:

Encoder Division
Metrigraphics Division
Systems Division
Test Equipment Division

Subsidiary:

DRC International Corporation
A domestic international sales corporation (DISC)

Transfer Agent(s):

American Stock Transfer & Trust Company
40 Wall Street 46th Floor
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRCO (NASDAQ)

Number of Employees:

1990	1,174	1987	1,236
1989	1,241	1986	1,041
1988	1,205		

Plant Footage:

1990	320,000 sq. ft.	1987	N.A.
1989	320,000	1986	282,000
1988	332,000		

N.A. - Not Available

Sales & Earnings

	Net Sales †	Net Income
1990	$ 90,548,000	$ 3,260,000
1989	88,528,000	3,583,000
1988	92,911,000	4,069,000
1987	91,501,000	3,728,000
1986	75,192,000	2,456,000

	No. of Com. Shares +	Earn. per Share ≠
1990	4,553,773	$ 0.68
1989	5,041,630	0.71
1988	5,044,230	0.81
1987	5,028,538	0.74
1986	5,028,538	0.49

† Including contract revenues; of continuing operations only.
+ Adjusted to reflect stock dividends.
≠ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1990	1989
Contract revenues	$ 80,056,000	$ 78,422,000
Product sales	10,492,000	10,106,000
Total	$ 90,548,000	$ 88,528,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	25%	—
1986	—	25%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 24,718,000	$ 5.43
1989	23,745,000	4.71
1988	20,175,000	4.00
1987	16,043,000	3.19
1986	12,320,000	2.45

† Adjusted to reflect stock dividends.

Income Account *

Year ended	12/29/90	12/30/89
Net sales & revenues	$ 90,548,000	$ 88,528,000
Cost of sales & revenues	74,316,000	70,495,000
Expenses	10,675,000	11,845,000
Interest expense (income)	(6,000)	391,000
Income before taxes	$ 5,563,000	$ 5,797,000
Income taxes	2,303,000	2,214,000
Net Income	$ 3,260,000	$ 3,583,000

* Included in Cost and Expenses, Depreciation and Amortization: $2,009,000 in 1990 and $1,794,000 in 1989.

Assets

As of	12/29/90	12/30/89
Cash	$ 255,000	$ 1,361,000
Receiv., net	21,887,000	12,230,000
Unbilled fees	12,250,000	17,422,000
*Inventories	1,722,000	1,831,000
Refund. inc. taxes	1,000	353,000
Prepaid expenses	795,000	725,000
Current Assets	$ 36,910,000	$ 33,922,000
#Fixed assets	6,227,000	6,085,000
Total Assets	$ 43,137,000	$ 40,007,000

Liabilities

	12/29/90	12/30/89
Notes payable	$ 455,000	$ 1,585,000
Accts. payable	3,756,000	2,323,000
Accrued payroll	3,962,000	3,888,000
Deferred contract revenue	3,106,000	2,203,000
Other accruals	564,000	408,000
Accrued inc. taxes	2,748,000	—
Deferred inc. taxes	2,770,000	5,111,000
Curr. Liabilities	$ 17,361,000	$ 15,518,000
Deferred inc. taxes	1,058,000	744,000
† Common stock	504,000	504,000
Add. paid-in capital	4,600,000	6,838,000
Retained earnings	19,663,000	16,403,000
Treasury stock	(49,000)	—
Total Liabilities & Shareholders' Equity	$ 43,137,000	$ 40,007,000

* At lower of cost (FIFO) or market.
#Less accumulated depreciation & amortization.
† $0.10 par value.

Statistical Summary

% Income bef. Taxes to Revenues	6.14	6.55
% Net Income to Revenues	3.60	4.05
% Net Income to Equity	13.19	15.09
Debt to Equity	0.02	0.07
Workg Capital	$ 19,549,000	$ 18,404,000
Current Ratio	2.13	2.19
Shareholders' Equity	$ 24,718,000	$ 23,745,000

Dynascan Corporation

6460 W. Cortland Street
Chicago, Illinois 60635
(312) 889-8870
FAX (312) 889-1678

Officers: Carl Korn, chairman; Jerry Kalov, president & chief exec. officer; James J. Bode, v.p.-finance, chief financial officer & treasurer; Fred N. Hackendahl, v.p.-corporate development; J. Dennis Burke, v.p. & president-Cobra Electronics Group; Gerald M. Laures, corp. secretary & corp. controller.

Directors: Samuel B. Horberg, Carl Korn, James L. Marovitz, Harold D. Schwartz, Jerry Kalov, Ford Pearson.

Areas of Work: Designs, imports and markets two-way citizens-band radios, cordless and wired telephones, telephone answering systems, radar detectors, scanners, facsimile machines, "Marantz" and "Lloyd's" audio, and "Marantz" audio/video electronic products.

Divisions and Subsidiaries:

Cobra Electronics Group
6500 West Cortland Street
Chicago, Illinois 60635
(312) 889-8870

Cobra Telecommunications
Markets corded and cordless telephones and answering machines.

Cobra Personal Communications Products
Markets CB radios, radar detectors and scanners.

Dynascan Asia Ltd.
401 Iwami Building 4-2-1 Iidabashi
Chiyoda-ku
Tokyo 102, Japan

Lloyd's Electronics, Inc.
700 N. Commerce Street
Aurora, Illinois 60504
(708) 820-6699
Designs and markets clock radios, personal and portable stereos and compact audio systems.

Transfer Agent(s):

Harris Trust and Savings Bank
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DYNA (NASDAQ)

Number of Employees:

1990	250	1988	408
1989	380	1987	386

Plant Footage:

1990	220,000 sq. ft.	1988	470,000
1989	220,000		

Sales & Earnings

	Net Sales †	Net Income
1990	$ 168,987,000	$ (8,420,000)
1989	216,089,000	4,170,000
1988	166,738,000	7,247,000
1987	140,726,000	8,067,000
1986	121,978,000	6,083,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	6,180,000	$ —
1989	6,775,000	0.62
1988	6,999,000	1.04
1987	7,162,000	1.13
1986	7,101,000	0.86

† Of continuing operations only.
‡ Based on the average number of share outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 40,715,000	$ 6.70
1989	51,113,000	8.23
1988	49,618,000	7.64
1987	45,544,000	6.64
1986	37,488,000	5.48

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 168,987,000	$ 216,089,000
Cost of sales	140,432,000	167,835,000
Expenses	27,301,000	31,554,000
Interest expense	3,804,000	4,031,000
Other expense	69,000	128,000
Inc. (loss) bef. taxes	$ (2,619,000)	$ 12,541,000
Income taxes (credit)	(1,030,000)	4,979,000
Inc. (loss)-cont. oper.	$ (1,589,000)	$ 7,562,000
Loss-discont. oper.	(6,831,000)	(3,392,000)
Net Income (Loss)	$ (8,420,000)	$ 4,170,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,842,000 in 1990 and $1,404,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 1,159,000	$ 3,729,000
Receiv., net	32,734,000	38,525,000
*Inventories	29,037,000	48,445,000
Prepaid expenses	12,015,000	9,603,000
Net assets-discont. oper.	3,910,000	16,961,000
Current Assets	$ 78,855,000	$ 117,263,000
#Fixed assets	8,483,000	7,857,000
Exc. of cost over assets acq.	1,710,000	1,734,000
Other assets	4,795,000	2,418,000
Net assets-discont. oper.	1,206,000	7,307,000
Total Assets	$ 95,049,000	$ 136,579,000

Liabilities

	1990	1989
Accts. payable	$ 4,375,000	$ 5,322,000
Accrued payroll	1,798,000	3,394,000
Accrued adv. costs	1,813,000	2,423,000
Accrued prod. warr. costs	3,243,000	3,065,000
Other accruals	1,215,000	2,504,000
Curr. Liabilities	$ 12,444,000	$ 16,708,000
Deferred inc. taxes	11,529,000	10,807,000
Long-term debt	30,361,000	57,951,000
† Common stock	2,345,000	2,345,000
Add. paid-in capital	21,826,000	23,198,000
Retained earnings	23,201,000	31,621,000
Treasury stock	(5,407,000)	(6,051,000)
Note receiv.-officer's exercise of stock options	(1,250,000)	—
Total Liabilities & Shareholders' Equity	$ 95,049,000	$ 136,579,000

* At lower of cost (FIFO) or market.
#Less accumulated depreciation and amortization.
† $0.33 1/3 par value.

Dynascan Corporation

Statistical Summary

% Net Income to Equity		—		8.16
Sales to Inventories		5.82		4.46
Debt to Equity		0.75		1.13
Working Capital	$	66,411,000	$	100,555,000
Current Ratio		6.34		7.02
Shareholders' Equity	$	40,715,000	$	51,113,000

Dynatech Corporation

3 New England Executive Park
Burlington, Massachusetts 01803-5087
(617) 272-6100
FAX (617) 272-2304

Officers: Warren M. Rohsenow, chairman; J. P. Barger, president & chief exec. officer; John F. Reno, exec. v.p. & chief operating officer; John A. Mixon, corp. v.p.- human resources; Donald Soenen, corp. v.p.-Qualtech Division; Jack Shirman, corp. v.p.-specialty electronics group; Terence F. Kelly, corp. v.p.-video & specialty computer group; Jeffrey C. Barger, corp. v.p.-corp. development; Joseph A. Sciulli, corp. v.p.-test technologies division; James R. Turner, corp. v.p.; Edward T. O'Dell, Jr., secretary; Robert H. Hertz, chief financial officer & treasurer; John C. Maag, corp. controller; Nancy J. Yasharian, assistant treasurer.

Directors: Warren M. Rohsenow, chairman; J. P. Barger, James B. Hangstefer, Theodore Cohn, Warren A. Law, Richard K. Lochridge, Paula Stern.

Areas of Work: Communications Products include specialized products and systems used in network management (monitoring, switching and performance measurement); protocol converters and packet switching equipment (PAD, switches); gateways between private and public networks; software products for point-of-sale data collection and pharmacy management; telephone headsets; two-way radio communications products; radar detectors; high-end audio amplifiers; high-frequency rf amplifiers and microwave components; test instruments; high-resolution monitors for simulators, high-end CAD systems and scientific instruments; aircraft video information systems; diagnostic instruments used in the design, installation and maintenance of digital communications networks; high-speed digital word generators and bus analyzers for the test/simulation of military computers, communications and avionics systems; products used in the control and automation of video facilities; video graphics and animation systems; newsroom management systems; high-speed microcomputers and expansion boards; and thunderstorm sensors.

Medical and Diagnostic Products include systems, subsystems and disposables for immunological and microbiological testing of human and animal blood products and for testing of industrial products such as foods; image analysis systems using optical and computer technology to determine response of tumors to chemotherapeutic drugs; radiation therapy treatment planning systems; and test and safety equipment for biomedical, diagnostic and life support instruments.

Scientific Instruments include precision automotive diagnostic equipment used in the servicing and repair of engine malfunctions and failures of on-board electronic systems; automatic precision sampling injectors and precision syringes; semiconductor test handling equipment for high-speed insertion of semiconductor devices into automatic test equipment; and programmable signal conditioning and recording equipment for very-high-speed transient events, such as vehicle crash testing and blast wave monitoring.

Divisions and Subsidiaries:

ALTA Group, Inc
San Jose, California

Parallax Graphics, Inc
Santa Clara, California

New England Technology Group, Inc
Cambridge, Massachusetts

V.I. Corporation
Northampton, Massachusetts

Trigon Inc
Milpitas, California

Lightning Location & Protection, Inc
Tuscon, Arizona

Dynatech Precision Sampling Corp
Baton Rouge, Louisiana

LEA Dynatech Inc
Santa Fe Springs, California

Sensors, Inc
Saline, Michigan

Dynatech Laboratories, Incorporated
Chantilly, Virginia

Dynatech Nevada, Inc
Carson City, Nevada

Dynatech Medical Products Ltd
St. Peter Port, Guernsey, Channel Islands

Computerized Medical Systems, Inc
Maryland Heights, Missouri

Dynatech Communications, Inc
Woodbridge, Virginia

Dynatech Microwave Technology, Inc
Calabasas, California

Dynatech NewStar, Inc
Madison, Wisconsin

Whistler Corporation
Westford, Massachusetts

Unex
Chelmsford, Massachusetts

Telecommunications Techniques Corporation
Germantown, Maryland

Dynatech Data Communications, Ltd
St. Peter Port, Guernsey, Channel Islands

Dynatech Electro-Optics Corporation
San Luis Obispo, California

Pacific Instruments, Inc
Concord, California

Trontech, Inc
Eatontown, New Jersey

XKD Corporation
Los Gatos, California

Interface Technology, Inc
Glendora, California
Manufactures and markets digital electronics test instruments.

Qualimetrics, Inc
Sacramento, California

Cybermation Ltd
St. Albans, Hertfordshire, England

Digital Technology, Inc
Dayton, Ohio

Innovative Electronics, Inc
Miramar, Florida

Dynatech Tactical Communications, Inc
Westford, Massachusetts

Dynatech Utah Scientific, Inc
Salt Lake City, Utah

Quanta Corporation
Salt Lake City, Utah

Dynatech ColorGraphics Systems, Inc
Madison, Wisconsin

Puceon, Inc
San Jose, California
Manufactures peripheral and upgrade products for microcomputers.

Threshold Inc
Sacramento, California
Manufactures solid state power amplifiers and preamplifiers.

ComCoTec, Inc
Burr Ridge, Illinois
Manufactures software products for the pharmacy and retail service industries.

Asinc, Inc
Tustin, California
Manufactures passenger cabin video information systems for airlines.

HK Microwave, Inc
Santa Clara, California

Micro Processor Systems, Inc
Sterling Heights, Michigan
Manufactures and sells electronic test and diagnostic equipment for use in automotive assembly plants, dealerships and aftermarket repair facilities.

Overseas Sales Companies:

Dynatech Produkte, A.G.
Embrach-Embraport, Switzerland

V.I. Corporation Europe Limited
Maidenhead, England

Dynatech Laboratories Ltd
Billingshurst, West Sussex, England

Laboratoire Dynatech S.A.R.L.
Marnes la Coquette, France

Dynatech Deutschland GmbH
Denkendorf, West Germany

Dynatech Gesselschaft
Friedrichsdorf, West Germany

Dynatech Broadcast Group, Ltd
Workingham, England

Dynatech Communications A/S
Oslo, Norway

Dynatech Communications Svenska A.B.
Taby, Sweden

Dynatech Systeme France SA
Saint-Cloud, France

Dynatech Japan, Inc
Tokyo, Japan

TTC France
Saint-Cloud, France

Dynatech Communications S.R.L.
Milano, Italy

Dynatech Systems Ltd
Waltham Cross, Hertfordshire, England

Dynatech Communications Ltd
Waltham Cross, Hertfordshire, England

Dynatech Hong Kong Ltd
Wanchai, Hong Kong

Sensors Testsysteme GmbH
Dusseldorf, West Germany

Dynatech Comm. Australia
Chatswood, Australia

Dynatech Comm. Ltd
Markham, Ontario, Canada

Puceon UK Ltd
Wokingham, England

TTC Germany
Koeln, West Germany

Dynatech Broadcast Group
Aalsmeer, Netherlands

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DYTC (NASDAQ)

Number of Employees:

1991	3,150	1988	3,060
1990	2,995	1987	3,100"
1989	2,892		

Sales & Earnings

	Net Sales	Net Income
1991	$ 481,475,000	$ 15,570,000
1990	433,343,000	14,735,000
1989	399,509,000	18,585,000
1988	374,091,000	25,468,000
1987	320,582,000	24,575,000

	No. of Com. Shares	Earn. per Share #
1991	9,389,797	$ 1.64
1990	9,704,159	1.43
1989	11,128,064	1.53
1988	12,312,406	2.07
1987	12,267,544	2.01

Based on the weighted average number of shares outstanding

Revenues by Line of Business

	1991	1990
Communications prods	$ 308,284,000	$ 285,007,000
Scientific instruments	116,003,000	96,715,000
Medical & diagnostic prods	57,188,000	51,621,000
Total	$ 481,475,000	$ 433,343,000

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 150,102,000	$ 15.99
1990	136,592,000	14.08
1989	148,059,000	13.31
1988	154,028,000	12.51
1987	126,170,000	10.28

Income Account *
(000's)

Year ended March 31	1991	1990
Net sales	$ 481,475	$ 433,343
Cost of sales	228,815	211,618
Expenses	167,059	145,531
Prod. develop. exp.	51,745	42,486
Interest expense	5,614	5,379
Other expense (income)	685	(931)
Unusual items	—	2,700
Income before taxes	$ 27,557	$ 26,560
Income taxes	11,987	11,825
Net Income	$ 15,570	$ 14,735

* Included in Costs and Expenses, Depreciation and Amortization: $22,882,000 in 1991 and $19,404,000 in 1990.

Assets
(000's)

As of March 31	1991	1990
Cash & cash equiv.	$ 32,777	$ 26,631
Accts. receiv., net	77,529	84,898
*Inventories	76,014	68,487
Other curr. assets	7,244	7,432
Current Assets	$ 193,564	$ 187,448
#Fixed assets	43,323	37,916
Other assets	59,051	48,988
Total Assets	$ 295,938	$ 274,352

Liabilities
(000's)

Notes pay. & long-term debt, curr.	$ 5,542	$ 3,352
Accts. payable	20,417	17,948
Accrued payroll	16,859	16,439
Accrued interest	1,577	1,829
Accrued taxes	2,820	2,211
Deferred revenue	4,038	2,246
Other accruals	14,407	13,226
Accrued & def. inc. taxes	1,451	2,501
Curr. Liabilities	$ 67,111	$ 59,752
Long-term debt	75,915	76,927
Def. inc. taxes	2,810	1,081
+ Common stock	2,475	2,473
Add. paid-in capital	9,170	9,164
Retained earnings	186,082	170,512
Cum. for. curr. trans.	4,851	2,084
Treaury stock	(52,476)	(47,641)
Total Liabilities & Shareholders' Equity	$ 295,938	$ 274,352

* At lower of cost (FIFO & average) or market.
# Less accumulated depreciation and amortization
+ $0.20 par value

Statistical Summary

% Income bef. Taxes to Sales	5.72	6.13
% Net Income to Sales	3.23	3.40
% Net Income to Equity	10.37	10.79
Sales to Inventories	6.33	6.33
Debt to Equity	0.54	0.59
Working Capital	$ 126,453,000	$ 127,696,000
Current Ratio	2.88	3.14
Shareholders' Equity	$ 150,102,000	$ 136,592,000

EAC Industries, Inc.

Route 16
Box 133
Gray, Tennessee
(615) 477-3144

Officers: Daniel E. Virnich, president & treasurer; Sharon Hofmann, secretary.

Directors: George J. Dunn, Paul Fritzsche*, James F. Peil*, Daniel E. Virnich*, Paul E. Price*, James M. Baisley

* Member of the Executive Committee

Areas of Work: Manufactures hardware products for screen and storm doors and security locks, and point-of-purchase advertising such as in-store sales aids, wall decorations and metallized plastic.

Subsidiaries:

Ideal Security Hardware Corporation
Gray, Tennessee
Produces and markets latches, chains, and hinges for storm and screen doors, and gate and fence hardware.

Goodren Products Corporation
Englewood, New Jersey
Designs and produces point-of-purchase advertising displays and wall decorations.

La Compagnie Ideal Security, Inc.
LaSalle, Quebec, Canada

Electro Finition Inc.
LaSalle, Quebec, Canada

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): American

Ticker Symbol: EAC

Number of Employees:

1990	277	1988	570
1989	295	1987	1,110

Plant Footage:

1990	501,800 sq. ft.	1988	316,000
1989	287,000	1987	433,000

Sales & Earnings x

	Revenues +	Net Income
1989	$ 37,415,000	$ (12,238,000)
1988	31,531,000	(1,240,000)
1987	30,013,000	(1,996,000)
1986	27,911,000	N.A.
1985	26,851,000	N.A.

	No. of Com. Shares	Earn. per Share #
1989	1,962,000	$ —
1988	1,942,000	—
1987	1,947,000	—
1986	1,947,000	—
1985	1,929,000	—

(Loss)
N.A. - Not Available
x Restated to reflect change in inventory valuation
+ Of continuing operations only
# Based on the weighted average number of shares outstanding

Revenues by Line of Business
(000's)

	1989	1988
Hardware	$ 31,162	$ 25,802
Point-of-purchase ads	6,253	5,729
Total	$ 37,415	$ 31,531

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	—	—	—
1986	0.30	—	—
1985	0.40	—	—

Common Stock Equity x

	Total Equity	Equity Per Share
1989	$ 1,126,000	$ 0.57
1988	13,237,000	6.82
1987	14,440,000	7.42
1986	16,358,000	8.40
1985	17,909,000	9.28

x Restated

Income Account *
(000's)

Year ended Jan. 31	1990	1989‡
Net sales	$ 37,415	$ 31,531
Cost of sales	29,256	22,951
Expenses	9,465	7,609
Relocation costs	6,593	—
Eq. in loss (inc.) of affil. cos.	180	(97)
Interest expense	2,951	949
Inc. (loss) bef. taxes	$ (11,030)	$ 119

Income taxes		39		104
Inc (loss)-cont oper	$	(11,049)	$	15
Loss-discont oper		(1,189)		(1,255)
Net Loss	$	(12,238)	$	(1,240)

‡ Restated
* Included in Costs and Expenses, Depreciation and Amortization $2,777,000 in 1990 and $918,000 in 1989

Assets
(000's)

As of Jan 31		1990		1989‡
Cash	$	76	$	1,094
Accts receiv , net		5,794		6,582
*Inventories		7,293		8,492
Prepaid expenses		1,868		1,409
Net assets-discont oper		—		18,205
Current Assets	$	15,031	$	35,782
Investments		1,285		1,419
#Fixed assets		10,423		8,868
Mfg facil held for sale		4,187		—
Intangibles		231		1,499
Other assets		532		1,299
Total Assets	$	31,689	$	48,867

Liabilities
(000's)

Short-term debt	$	11,800	$	—
Long-term debt, curr		6,510		1,117
Accts payable		4,785		3,265
Accruals		3,747		2,213
Accrued inc taxes		4		1,469
Liab of discont oper		2,195		17,184
Curr Liabilities	$	29,041	$	25,248
Long-term debt		—		8,705
Deferred inc taxes		1,522		1,677
+Common stock		232		232
Add paid-in capital		12,789		12,816
Cum trans adj		(26)		(52)
Retained earnings (deficit)		(9,487)		2,751
Treasury stock		(2,382)		(2,510)
Total Liabilities & Shareholders' Equity	$	31,689	$	48,867

‡ Restated
* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.10 par value

Statistical Summary

Sales to Inventories		5.13		3.71
Debt to Equity		—		0.81
Working Capital		—	$	10,534,000
Current Ratio		—		1.42
Shareholders' Equity	$	1,126,000	$	13,237,000

Eagle-Picher Industries, Inc.

580 Walnut Street
P.O. Box 779
Cincinnati, Ohio 45202
(513) 721-7010
FAX (513) 721-2341

NOTE: On January 7, 1991, the Company and certain of its affiliates filed for reorganization under Chapter XI of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Ohio.

Officers: Thomas E. Petry, chairman & chief executive officer; John W. Painter, president & chief operating officer; Melvin F. Chubb, Jr., sr. v.p.; Andries Ruijssenaars, sr. v.p.; John E. Powers, sr. v.p.; James A. Ralston, v.p. & general counsel; J. Rodman Nall, v.p.; Ernest H. Hirsh, v.p.; David N. Hall, sr. v.p.-finance; Harry A. Neely, treasurer; Corinne M. Faris, secretary; Carroll D. Curless, v.p. & controller; David W. Matthews, asst. secretary; Marc L. Greenberg, asst. general counsel

Directors: Paul W. Christensen, Jr., Daniel W. LeBlond, John W. Painter, Melvin F. Chubb, Jr., Charles S. Mechem, Jr., V. Anderson Coombe, Thomas E. Petry, Sidney J. Weinberg, Jr., Richard T. Farmer, Roger L. Howe

Areas of Work: The Company's electronic activities include the manufacture of special-purpose battery systems for electrical vehicles, utility load leveling, and worldwide communications satellites; the manufacture of sophisticated electronic components for aerospace, shipboard, ground-based, and industrial applications; and the production of new crystalline materials for semiconductor and infrared applications.

Electronics-related Divisions:

Cincinnati Industrial Machinery
Sharonville, Ohio

Construction Equipment
Lubbock, Texas

Electronics Division
Joplin, Mississippi

Fabricon Products
River Rouge, Michigan

Hillsdale Tool & Manufacturing Company
Hillsdale, Michigan

Eagle-Picher Minerals, Inc.
Reno, Nevada

Michigan Automotive Research Corporation
Ann Arbor, Michigan

Mat Division
Willoughby, Ohio

Specialty Materials
Quapaw, Oklahoma

Transicoil Inc.
Valley Forge, Pennsylvania

Wolverine Gasket
Inkster, Michigan

Transfer Agent(s):

AmeriTrust Company National Association
Cleveland, Ohio

Stock Exchange(s): New York, Cincinnati

Ticker Symbol: EPI

Number of Employees:

1990	8,000	1987	8,300
1989	8,200	1986	7,900
1988	9,000		

Sales & Earnings

		Net Sales		Net Income
1990	$	699,347,000	$	39,360,000
1989		729,915,000		53,814,000
1988		770,110,000		(465,762,000)
1987		677,234,000		39,988,000
1986		648,337,000		38,808,000

	No. of Com Shares		Earn. per Share ‡
1990	10,978,000	$	3.64
1989	10,695,000		5.04
1988	10,679,000		—
1987	10,662,000		3.70
1986	10,668,000		3.80

(Loss)
‡ Based on the average number of shares outstanding

Revenues By Line of Business
(000's)

		1990		1989
Industrial	$	122,700	$	152,300
Machinery		224,400		253,400
Automotive		352,200		324,200
Total	$	699,300	$	729,900

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1990	$	—	—	—
1989		—	—	—
1988		0.84	—	—
1987		1.12	—	—
1986		1.04	—	—

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	(171,482,000)	$	—
1989		(213,470,000)		—
1988		(267,469,000)		—
1987		206,778,000		19.39
1986		179,476,000		16.82

(Deficiency)

Income Account *

Year ended Nov. 30		1990		1989
Net sales	$	699,347,000	$	729,915,000
Cost of sales		585,627,000		622,474,000
Expenses		66,016,000		67,363,000
Gain on sale of oper		(16,727,000)		(21,633,000)
Interest expense		12,579,000		11,798,000
Other expense (income)		7,792,000		(6,401,000)
Inc bef taxes	$	44,060,000	$	56,314,000
Income taxes		4,700,000		2,500,000
Net Income	$	39,360,000	$	53,814,000

* Included in Costs and Expenses, Depreciation and Amortization: $24,724,000 in 1990 and $25,413,000 in 1989

Assets

As of Nov. 30		1990		1989
Cash	$	16,092,000	$	11,357,000
Receiv , net		95,806,000		112,386,000
Income taxes receiv		15,885,000		—
Due from insur carriers		10,000,000		10,000,000
* Inventories		75,602,000		87,247,000
Deferred inc taxes		6,832,000		25,069,000
Prepaid expenses		8,229,000		13,558,000
Current Assets	$	228,446,000	$	259,617,000
# Fixed assets		146,733,000		155,243,000
Due from insur carriers		—		20,000,000
Other assets		38,516,000		44,094,000
Total Assets	$	413,695,000	$	478,954,000

Liabilities

Short term borrowings	$	19,700,000	$	—
Long-term debt, curr		11,333,000		3,963,000
Other long term debt, curr		91,086,000		—
Accts payable		43,363,000		56,292,000
Comp & empl benefits		6,920,000		9,264,000
Income taxes		5,733,000		5,028,000
Asbestos reserve		40,000,000		85,000,000
Other accruals		24,845,000		23,823,000
Curr Liabilities	$	242,980,000	$	183,370,000

Long-term debt	3,618,000	100,693,000
Other long-term liabilities	3,238,000	584,000
Asbestos liability	335,341,000	407,777,000
• Common stock	13,906,000	13,906,000
Add. paid-in capital	37,644,000	42,990,000
Retained earnings (deficit)	(221,573,000)	(260,933,000)
For. curr. trans.	1,876,000	343,000
Treasury stock	(3,335,000)	(9,776,000)
Total Liabilities & Shareholders' Equity	$ 413,695,000	$ 478,954,000

* At lower of cost (primarily LIFO) or market
# Less accumulated depreciation.
• $1.25 par value

Statistical Summary

% Income bef. Taxes to Sales	6.30	7.72
% Net Income to Sales	5.63	7.37
Sales to Inventories	9.25	8.37
Working Capital	—	$ 76,247,000
Current Ratio	—	1.42
Shareholders' Equity (Deficiency)	$ (171,482,000)	$ (213,470,000)

Eastman Kodak Company

343 State Street
Rochester, New York 14650
(716) 724-4000
FAX: (716) 724-0663

Officers: Kay R. Whitmore, chairman of the board, president & chief executive officer; Peter Giles, v.p. & director-corporate commercial affairs; Lwrence J. Matteson, sr. v.p.-Electronic Imaging; David J. Metz, sr. v.p.& dir.-corp. communications & public affairs; Robert L. Long, v.p. & dir.-corp. planning; Cecil D. Quillen, Jr., sr. v.p. & general counsel; Paul L. Smith, sr. v.p. & dir. finance & adm.; C. Michael Hamilton, treasurer; George D. Lord, v.p. & dir.-financial planning; Julian M. Gordon, general comptroller; John R. McCarthy, sr. v.p.-corporate relations; Gary P. Van Graafeiland, secretary & associate general counsel; Edwin P. Przybylowicz, sr. v.p. & dir.-research; William F. Fowble, group v.p. & gen mgr.- Photographic Products Group; Frank P. Strong, Jr., group v.p. & general mgr.-Imaging Information; Wilbur J. Prezzano, group v.p. & gen. mgr.-international; Katherine M. Hudson, v.p. & dir.-corp. information systems; Earnest W. Deavenport, Jr., group v.p. & president-Eastman Chemicals; Leo J. Thomas, chairman, group v.p. & gen. mgr.-Health group; Louis P. Mattis, chairman & pres.-Sterling Drug Inc.

Directors: Juanita M. Kreps, Roger E. Anderson, Cecil D. Quillen, Jr., Charles T. Duncan, Paul F. Gray, Kay R. Whitmore, Paul L. Smith, Richard A. Zimmerman, John F. Burlingame, Richard S. Braddock, John J. Phelan, Jr., Martha Layne Collins, Roberto C. Goizueta, John R. McCarthy

Areas of Work: Develops, manufactures and markets still cameras and projectors, lenses, microfilming units, and professional photographic equipment; photographic films, papers, plates and chemicals; business equipment and related products, including copier-duplicators, batteries, light-sensitive materials for scientific use, positive-working photoresists for fabricating circuit boards, duplicating plates for making negative copies of printed circuits, man-made fibers, industrial chemicals and plastics, pharmaceutical specialty products, proprietary products, medical radiography and clinical diagnostic material and equipment, and household and other products.

Divisions and Subsidiaries:

Kodak Apparatus Division
901 Elmgrove Road
Rochester, New York 14650
(716) 724-4000

Eastman Chemicals Company
343 State Street
Rochester, New York 14650
(716) 325-2000

Arkansas Eastman Company
P.O. Box 2357
Batesville, Arkansas 72501
(501) 698-1811

Carolina Eastman Company
P.O. Box 1782
Columbia, South Carolina 29202
(803) 794-9200

Tennessee Eastman Kodak
P.O. Box 511
Kingsport, Tennessee 37662
(615) 246-2111

Texas Eastman Company
P.O. Box 7444
Longview, Texas 75601
(214) 757-6611

Eastman Gelatine Corporation
227 Washington Street
Peabody, Massachusetts 01960
(617) 531-1700

Kodak Canada Inc.
3500 Eglinton Avenue West
Toronto, Ontario M6M 1V3, Canada
(416) 766-8233

Kodak Limited
P.O. Box 66
Kodak House, Station Road, Hemel Hempstead
Hertfordshire HP1 1JU, England

Kodak-Pathe
8-26 rue Villiot
Paris, Cedex 12 75008, France

Kodak A.G.
Postfach 369
7000 Stuttgart 60, Germany

Kodak (Australasia) Pty. Ltd.
173-3058 Elizabeth Street
Coburg, Victoria, Australia

Kodak Brasileira C.I.I.
Av. Brigadeiro Faria Limia, 1815, 7th Floor
Caixa Postal 225
Sao Paulo 01000, Brazil

Sterling Drug Inc.
90 Park Avenue
New York, New York 10016
(212) 907-2000
A major pharmaceutical firm

Eastman Kodak International Sales Corporation
Torrey Pines Realty Company, Inc.
Eastman Chemical Products, Inc.
Mustang Pipeline Company
Pinto Pipeline Company of Texas
Eastman Chemical International Ltd.
Kodak Argentina, Ltd.
Kodak Chilena S.A.F.
Kodak Mexicana, Ltd.
Kodak Panama, Ltd.
Kodak Export Limited
Laboratorios Kodak Limitada
Foto Interamericana de Peru, Ltd.
Kodak Caribbean, Limited
Eastman Chemical International,A.G.
Kodak Uruguaya, Ltd.
Eastman Kodak Credit corp.
Eastman Technology, Inc.
Datatape Incorporated
Atex, Inc.
Interactive Systems Corp.
Northfield Pharmaceuticals Limited
Ultra Technologies, Inc.
Eastman Chemical Products, Inc.
Holston Defense Corp.
Eastman Gelatine Corp.
Mustang Pipeline Company
Pinto Pipeline Company of Texas
Eastman Chemical International Limited
Kodak Colombiana, Ltd.
Kodak Mexicana, Ltd.
Kodak Panama, Ltd.
Kodak Export Limited
Laboratorios Koak Limitada
Foto Interamericana de Peru, Ltd.
Kodak Caribbean, Limited
Kodak Uruguaya, Ltd.
Kodak (Near East), Inc.
Kodak Philippines, Ltd.
Kodak Korea Ltd.
Kodak Far East Purchasing, Inc.
Eastman Kodak International Capital Company, Inc.
Kodak Portuguesa Limited
The Sydney Ross Co.
Sterling Products International Inc.
Cook-Waite Laboratories, Inc.
The d-Con Company, Inc.
Dorothy Gray, Ltd.
Minwax Company, Inc.
Ogilvie Products, Inc.
Thompson & Formby Inc.
Tussy Cosmetics, Inc.
Sterling Pharmaceuticals Inc.
R. D. Acquisition Corp.
The SDI Divestiture Corp.
Winthrop Products Inc.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): New York, Midwest, Pacific, Boston, Phila-Balt-Wash, Paris, London, Tokyo

Ticker Symbol: EK

Number of Employees:

1990	134,450	1987	124,400
1989	137,750	1986	121,450
1988	145,300		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 18,908,000	$ 703,000
1989	18,398,000	529,000
1988	17,034,000	1,397,000
1987	13,305,000	1,178,000
1986	11,550,000	374,000

	No. of Com. Shares +	Earn. per Share #
1990	324,600,000	$ 2.17
1989	324,400,000	1.63
1988	324,200,000	4.31
1987	324,100,000	3.52
1986	338,700,000	1.10

+ Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Imaging	$ 7,128,000	$ 6,998,000
Information	4,140,000	4,200,000
Chemicals	3,588,000	3,522,000
Health	4,349,000	4,009,000
Intersegment	(297,000)	(331,000)
Total	$ 18,908,000	$ 18,398,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 2.00	—	—
1989	2.00	—	—
1988	1.90	—	—
1987	1.71	—	3-for-2
1986	1.63	—	—

+ Adjusted to reflect stock split.

Eastman Kodak Company

Common Stock Equity

	Total Equity (000's)	Equity Per Share ≠
1990	$ 6,737,000	$ 20.75
1989	6,642,000	20.47
1988	6,780,000	20.91
1987	6,013,000	18.55
1986	6,388,000	18.86

≠ Adjusted to reflect stock split

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 18,908,000	$ 18,398,000
Cost of sales	10,966,000	11,075,000
Expenses	5,098,000	4,857,000
Restruc. costs	—	875,000
Oper. profit	$ 2,844,000	$ 1,591,000
Investment income	(167,000)	(148,000)
Interest exp.	812,000	895,000
Litigation judgment	888,000	—
Other expense (income)	54,000	(81,000)
Income before taxes	$ 1,257,000	$ 925,000
Income taxes	554,000	396,000
Net Income	$ 703,000	$ 529,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,309,000 in 1990 and $1,326,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 735,000	$ 1,095,000
Marketable securities	181,000	184,000
Receiv., net	4,333,000	4,245,000
*Inventories	2,425,000	2,507,000
Deferred inc. taxes	653,000	306,000
Prepaid charges	281,000	254,000
Current Assets	$ 8,608,000	$ 8,591,000
≠Fixed assets	8,978,000	8,628,000
Other assets	6,539,000	6,433,000
Total Assets	$ 24,125,000	$ 23,652,000

Liabilities
(000's)

Payables	$ 6,413,000	$ 6,073,000
Income & other taxes	588,000	338,000
Dividends payable	162,000	162,000
Curr. Liabilities	$ 7,163,000	$ 6,573,000
Long-term borrowings	6,989,000	7,376,000
Other liabilities	1,406,000	1,371,000
Deferred inc. taxes	1,830,000	1,690,000
+ Common stock	934,000	934,000
Add. paid-in capital	7,000	6,000
Retained earnings	7,859,000	7,802,000
Cum. trans. adjust.	7,000	(41,000)
Pension liability adjust.	(11,000)	
Treasury stock	(2,059,000)	(2,059,000)
Total Liabilities & Shareholders' Equity	$ 24,125,000	$ 23,652,000

* At cost which is not in excess of market. U.S. inventories at LIFO; foreign at FIFO or average.
≠ Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.65	5.03
% Net Income to Sales	3.72	2.88
% Net Income to Equity	10.43	7.96
Sales to Inventories	7.80	7.34
Debt to Equity	1.04	1.11
Working Capital (000's)	$ 1,445,000	$ 2,018,000
Current Ratio	1.20	1.48
Shareholders' Equity (000's)	$ 6,737,000	$ 6,642,000

Eaton Corporation

Eaton Center
1111 Superior Avenue, N.E.
Cleveland, Ohio 44114-2584
(216) 523-5000
FAX: (216) 523-4787

Officers: James R. Stover, chairman of the board & chief executive officer; William E. Butler, president & chief operating officer; John S. Rodewig, president-Truck Components Group; Stephen R. Hardis, vice chairman & chief financial & administrative officer; John M. Carmont, v.p. & treasurer; John D. Evans, v.p.-human resources; Gerald L. Gherlein, v.p. & general counsel; Patrick X. Donovan, v.p.-international; John W. Hushen, v.p.-government relations; Stanley V. Jaskolski, v.p.-Technical Management; William T. Muir, v.p.-manufacturing technologies; Ronald L. Leach, v.p.-accounting; Richard T. Sadler, v.p. & secretary; Floyd M. Wilkerson, v.p.-administration; Marshall Wright, v.p.-corporate affairs; Alexander M. Cutler, president-Controls Group; Robert W. Gillison, president-Automotive Components Group; Billie K. Rawot, v.p.-controller; Adrian T. Dillon, v.p.-planning.

Directors: James R. Stover*, chairman of the board; William E. Butler*, Arthur Dole, III, Charles E. Hugel, Furman C. Moseley, Hooper G. Pattillo, Samuel K. Scovil, Neil A. Armstrong, Stephen R. Hardis*, Virginia A. Dwyer, John R. Miller, A. William Reynolds.

* Member of the Executive Committee

Operating Units:

Vehicle Powertrain:

Truck Components:
Mechanical transmissions, drive and trailer axles, brakes, locking differentials, engine valves, valve lifters, tire valves, leaf springs, viscous fan drives, power steering pumps.

Off-Highway Vehicle Components Group:
Mechanical and hydrostatic transmissions, forgings, drive axles, brakes, engine valves, hydraulic valve lifters, hydraulic motors, gear and piston pumps and motors, control valves and cylinders.

Passenger Car Components:
Engine valves, hydraulic valve lifters, emission control valves, viscous fan drives, differentials, tire valves.

Electronics and Controls:
Electromechanical and electronic control systems, devices and assemblies; semiconductor wafer fabrication equipment; sensors and human interface devices; programmable controllers; switches; relays; counters; electrical adjustable speed drives; low-voltage power distribution equipment; aerospace power controls; fasteners and thermostats; automated materials handling.

Transfer Agent(s):

AmeriTrust Company
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: ETN

Number of Employees:

1990	36,603	1987	35,914
1989	38,734	1986	35,315
1988	37,932		

Sales & Earnings

	Net Sales ‡ (000's)	Net Income + (000's)
1990	$ 3,639,000	$ 179,000
1989	3,671,000	224,900
1988	3,469,000	212,300
1987	3,110,000	201,200
1096	2,738,000	137,600

	No. of Com. Shares ≠	Earn. per Share + ≠
1990	35,400,000	$ 5.05
1989	37,500,000	6.00
1988	37,200,000	5.69
1987	42,000,000	4.77
1986	47,800,000	2.86

‡ Of continuing operations only.
+ Including extraordinary loss of $17,700,000 ($0.48 per share) in 1988.
≠ Based on the monthly average number of shares outstanding during each year adjusted to reflect stock split.

Revenues By Line of Business

	1990	1989
Electrical & electronic controls prods.	$ 1,624,000	$ 1,566,000
Truck components	1,173,000	1,271,000
Passenger car components	481,000	461,000
Off-highway vehicle components	361,000	373,000
Total	$ 3,639,000	$ 3,671,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 2.10	—	—
1989	2.00	—	—
1988	1.67	—	3-for-2
1987	1.27	—	—
1986	1.07	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ≠
1990	$ 1,140,000	$ 33.59
1989	1,144,700	31.01
1988	1,158,600	31.24
1987	1,066,600 †	28.27
1986	1,244,900 †	28.39

† After allowing for preferred stock at liquidation values.
≠ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 3,639,000	$ 3,671,000
Cost of sales	2,751,000	2,728,000
Expenses	595,000	567,600
Unusual items	(2,000)	—
Interest expense	79,000	74,600
Interest income	(16,000)	(13,300)
Other income	(18,000)	(21,400)
Income bef. taxes	$ 250,000	$ 335,500
Income taxes	81,000	125,800
Inc. cont. oper.	$ 169,000	$ 209,700
Inc. discont. oper.	10,000	15,200
Net Income	$ 179,000	$ 224,900

* Included in Costs and Expenses, Depreciation $146,000,000 in 1990 and $130,800,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 30,000	$ 25,800
Short-term securities	187,000	167,500
Accts. receiv., net	498,000	505,600
*Inventories	430,000	442,200
Deferred inc. taxes	90,000	83,800
Other curr. assets	61,000	65,800
Current Assets	$ 1,296,000	$ 1,290,700
#Fixed assets	1,086,000	1,004,500
Exc. of cost over assets acq.	282,000	284,900
Other assets	265,000	254,600
Net assets - discont. oper.	84,000	216,900
Total Assets	$ 3,013,000	$ 3,051,600

Liabilities
(000's)

	1990	1989
Short-term debt	$ 38,000	$ 38,200
Long-term debt, curr.	22,000	23,500
Accts. payable	241,000	245,000
Accrued compensation	82,000	83,300
Accrued taxes	55,000	61,100
Other curr. liab.	195,000	164,500
Curr. Liabilities	$ 633,000	$ 615,600
Long-term debt	755,000	836,200
Other liab.	320,000	288,000
Deferred inc. taxes	165,000	167,100
+Common stock	17,000	18,500
Add. paid-in capital	411,000	446,100
Retained earnings	837,000	842,700
For. curr. trans. adj.	9,000	(17,700)
Guar. of notes pay.-ESOP	(134,000)	(144,900)
Total Liabilities & Shareholders' Equity	$ 3,013,000	$ 3,051,600

* At lower of cost (LIFO) or market, foreign at FIFO.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

	1990	1989
% Net Income to Equity	15.70	19.65
Sales to Inventories	8.46	8.30
Debt to Equity	0.71	0.78
Working Capital	$ 663,000,000	$ 675,100,000
Current Ratio	2.05	2.10
Shareholders' Equity	$ 1,140,000,000	$ 1,144,700,000

Echlin Inc.

100 Double Beach Road
Branford, Connecticut 06405
(203) 481-5751
FAX: (203) 488-0370

Officers: Frederick J. Mancheski, chairman of the board & chief exec. officer; C. Scott Greer, president; Jon P. Leckerling, v.p., general counsel & corp. secretary; Edward D. Toole, Jr., asst. secretary & associate general counsel; Milton J. Makoski, v.p.-human resources; Charles W. O'Connor, asst. secretary; Richard A. Wisot, v.p. & controller; Robert F. Tobey, v.p.-international; Kenneth T. Flynn, Jr., asst. corp. controller; Joseph A. Onorato, treasurer; Edward C. Shalagan, asst. treasurer.

Directors: Frederick J. Mancheski, John E. Echlin, Jr., Milton P. DeVane, John F. Gustafson, Phillip S. Myers, John F. Creamer, Jr., Richard C. Curran, William C. Hatcher, C. Scott Greer, Frank R. O'Keefe, Jr., Eugene J. Muldoon, Beryl G. Echlin.

Areas of Work: Manufactures parts and supplies used to maintain or improve the efficiency and safety of motor vehicles including automotive electronic, electro-mechanical, cooling system and fuel system parts. Safety products include hydraulic brake parts, air brake parts, controllers for electric brakes, and additional safety-related products.

Divisions and Subsidiaries:

Ace Electric Company, Inc.
Livonia, Michigan
Columbus, Kansas

Automotive Controls Corp.
Branford, Connecticut
Independence, Kansas

Blackstone Manufacturing Company, Inc.
Chicago, Illinois

Hydraulics Inc.
Litchfield, Illinois
Upper Sandusky, Ohio
McHenry, Illinois

Lift Parts Mfg. Co.
Des Plaines, Illinois

Echlin-Ponce, Inc.
Ponce, Puerto Rico

Friction Materials, Inc.
Lawrence, Massachusetts

Echlin de Saltillo, S.A. de C.V.
Saltillo, Mexico

Friction Inc.
Irvine, California

Midland Brake, Inc.
Kansas City, Missouri
St. Louis, Missouri
Paris, Tennessee
Iola, Kansas
Owosso, Michigan
Broken Arrow, Oklahoma
Marion, North Carolina

Sensor Engineering Company
Hamden, Connecticut

Tekonsha Engineering Company
Tekonsha, Michigan

Distex Ind. Inc.
Montreal, Quebec, Canada
Milton, Ontario, Canada

ITAPSA, S.A. de C.V. (69%-owned)
Los Reyes La Paz, Mexico

Prattville Mfg., Inc.
Prattville, Alabama

Lipe Limited
Haslingden, England

Graubremse GmbH
Heidelberg, West Germany
Regensburg, West Germany

Grau Girling Limited
Redditch, England
Blackburn, England

Quinton Hazell PLC
Nuneaton, England
Redditch, England
Colwyn Bay, Wales
Dublin, Ireland
Lille, France
Milan, Italy

Friction,Inc.
Chowchilla, California
Irvine, California
Fredericksburg, Virginia
Dallas, Texas

BWD Automotive of Puerto Rico, Inc. (70%-owned)
San Juan, Puerto Rico

BWD International
Elk Grove Village, Illinois

Echlin Charger Manufacturing Company (Pty.) Ltd.
(92% owned)
Johannesburg, South Africa

Echlin Mexicana S.A. de C.V. (69%-owned)
Mexico City, Mexico

Echlin de Venezuela, C.A. (50%-owned)
Caracas, Venezuela

Echlin de Brasil, S.A.
Sao Paulo, Brazil

Echlin Australia (Pty.) Ltd.
Melbourne, Australia

Echlin Canada Inc.
Toronto, Ontario, Canada
Niagara Falls, Ontario, Canada

Ristance Corporation
Mishawaka, Indiana

Sierra Supply Company
Litchfield, Illinois

BWD Automotive Corporation
Corona, California
Ottawa, Illinois
Franklin Park, Illinois

Echlin Sales/International
Branford, Connecticut

Pacer Industries, Inc.
Pensacola, Florida
Northvale, New Jersey
Washington, Missouri

Pacer K.S., Inc.
Ronkonkoma, New York

Continental Hydraulic Hose Corp.
Upper Sandusky, Ohio

Ram Products, Inc.
Northvale, New Jersey

United Brake Systems Inc.
Indianapolis, Indiana

Urba S.A. Industria e Comercio de Auto Pecas
Sao Paulo, Brazil

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Pacific, International (London)

Ticker Symbol: ECH

Number of Employees:

1990	17,300	1987	13,500
1989	16,200	1986	10,900
1988	14,700		

Plant Footage

1990	7,336,000 sq. ft.	1987	5,186,000
1989	7,037,000	1986	4,768,000
1988	4,850,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,601,254,000	$ 47,205,000
1989	1,454,492,000	44,419,000
1988	1,294,297,000	62,072,000
1987	1,099,703,000	45,634,000
1986	901,890,000	48,844,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	55,797,000	$ 0.85
1989	55,733,000	0.80
1988	55,613,000	1.12
1987	52,098,000	0.88
1986	44,123,000	1.11

‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.70	—	—
1989	0.66	—	—
1988	0.59	—	—
1987	0.53	—	—
1986	0.47	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	662,430,000	11.87
1989	640,623,000	11.48
1988	634,267,000	11.39
1987	603,469,000	10.88

Income Account *
(000's)

Year ended Aug. 31	1990	1989
Net sales	$ 1,601,254	$ 1,454,492
Cost of sales	1,147,940	1,054,650
Expenses	368,380	326,221
Interest expense	21,886	24,594
Interest income	(5,903)	(13,677)
Income before taxes	$ 68,951	$ 62,704
Income taxes	21,746	18,285
Net Income	$ 47,205	$ 44,419

* Included in Costs and Expenses, Depreciation and Amortization: $43,013,000 in 1990 and $40,639,000 in 1989

Assets
(000's)

As of Aug. 31	1990	1989
Cash & cash equiv	$ 19,645	$ 17,690
Accts. receiv	204,312	191,996
* Inventories	518,755	456,509
Other curr. assets	18,800	15,685
Current Assets	$ 761,512	$ 681,880
# Fixed assets	310,381	264,734
Market secur	25,963	15,019
Other assets	94,640	72,621
Total Assets	$ 1,192,496	$ 1,034,254

Liabilities
(000's)

	1990	1989
Notes payable	$ 23,057	$ 18,541
Long-term debt, curr	3,488	2,788
Accts. payable	103,116	90,059
Accrued income taxes	33,516	37,890
Accrued payroll	25,311	21,811
Other accruals	63,764	73,819
Curr. Liabilities	$ 252,252	$ 244,908
Long-term debt	235,524	107,609
Deferred inc. taxes	42,290	41,114
+ Common stock	56,086	56,051
Add. paid-in capital	316,467	316,192
Retained earnings	281,808	273,665
For. curr. trans. adj.	11,064	(2,290)
Treasury stock	(2,995)	(2,995)
Total Liabilities & Shareholders' Equity	$ 1,192,496	$ 1,034,254

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

%Income bef. Taxes to Sales	4.31	4.31
%Net Income to Sales	2.95	3.05
%Net Income to Equity	7.13	6.93
Sales to Inventories	3.09	3.19
Debt to Equity	0.40	0.20
Working Capital	$ 509,260,000	$ 436,972,000
Current Ratio	3.02	2.78
Shareholders' Equity	$ 662,430,000	$ 640,623,000

EDO Corporation

14-04 111th Street
College Point, New York 11356-1434
(718) 321-4000
FAX: (718) 939-0119

Officers: William R. Ryan, chairman of the board; Gerald Albert, president & chief exec. officer; Frank A. Fariello, exec. v.p.; Robert A. Lapetina, exec. v.p.; Michael J. Hegarty, v.p.-finance, secretary & treasurer; Marvin D. Genzer, v.p., general counsel & asst. secretary.

Directors: William R. Ryan, chairman; Michael J. Hegarty, Robert A. Lapetina, H. Struve Hensel, James T. Pyle, Alfred Brittain, III, Richard Rachals, Gerald Albert, James S. Coles, John H. Meyn, Ralph O. Romaine, Frank Fariello.

Areas of Work: Produces electronic systems and equipment, electro-mechanical devices and fiber-reinforced composites for civil and military aviation, ocean navigation and underwater detection, surveillance and exploration.

Divisions and Subsidiaries:

Government Systems Division
14-04 111th Street
College Point, New York 11356-1434
(718) 321-4000

Washington Office
2001 Jefferson Davis Highway
Arlington, Virginia 22202
(703) 415-1560

Command Systems Division
1801-E Sara Drive
Chesapeake, Virginia 23320-2014
(804) 424-1004

EDO Operations (Israel) Ltd
Starco Building
Stellas Maris Square
35709 Haifa, Israel

Manufactures shipboard sonar products, such as the variable depth sonar, the helicopter towed hydrofoil sea sled, and other products in the fields of antisubmarine warfare, airborne mine countermeasures systems, aircraft ejection release units, and seaplane floats.

Electro-Acoustic Division and Electro-Ceramic Division
2645 South 300 West
Salt Lake City, Utah 84115-2968
(801) 486-7481
FAX: (801) 486-2115

Oceanograhic and marine navigation instrumentation, sonar doppler navigation equipment; graphic records, piezoelectric ceramics, acoustic devices, underwater video systems and equipment.

Fiber Science Division
P.O. Box 535227
506 North Billy Mitchell Road
Salt Lake City, Utah 84116-5227
(801) 537-1800

Engaged in the filament winding of reinforced plastic composites for commercial aircraft water and waste system tanks, ducting and fitting; the development of hardware for military helicopters and aircraft; plastic products such as chemical tanks, fish farming equipment and molded fiberglass building units.

Barnes Engineering Company
88 Long Hill Cross Roads
Shelton, Connecticut 06484-0867
(203) 926-1777

Designs and manufactures electro-optical systems, instruments and components used in defense, space and commercial applications.

EDO (Canada) Limited
1940 Centre Avenue NE
Calgary, Alberta T2E OA7 Canada
(403) 569-5400

Transfer Agent(s):

Mellon Securities Trust Company
Fort Lee Executive Park
85 Challenger Road
Ridgefield Park, New Jersey 07660

Stock Exchange(s): New York

Ticker Symbol: EDO

Number of Employees:

1990	1,430	1987	1,513
1989	1,459	1986	1,486
1988	1,527		

Plant Footage:

1990	767,000 sq. ft.	1987	N.A.
1989	729,000	1986	755,500
1988	729,000		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income #
1990	$ 138,748,000	$ 5,400,000
1989	149,794,000	5,943,000
1988	137,872,000	9,781,000
1987	127,262,000	6,954,000
1986	113,184,000	6,328,000

	No. of Com. Shares ‡	Earn. per Share #‡
1990	5,355,000	$ 0.72
1989	5,451,000	0.81
1988	5,961,000	1.54
1987	6,911,000	1.01
1986	7,548,000	0.84

Including extraordinary gain of $1,508,000 ($0.28 per share) in 1990
‡ Based on the weighted average number of shares outstanding

Revenues by Line of Business

	1990	1989
Military systems	$ 79,398,000	$ 96,464,000
Marine systems & spec. prod.	59,350,000	53,330,000
Total	$ 138,748,000	$ 149,794,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.28	—	—
1989	0.28	—	—
1988	0.28	—	—
1987	0.28	—	—
1986	0.28	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 49,926,000 #	$ 9.20
1989	47,567,000 #	8.62
1988	43,613,000 #	8.00
1987	50,461,000	8.43
1986	62,350,000	8.73

After allowing for preferred stock at par value.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 138,748,000	$ 149,794,000
Other income	314,000	442,000
Total income	$ 139,062,000	$ 150,236,000
Cost of sales	111,240,000	122,085,000
Sell., gen. & adm. exp.	15,092,000	10,803,000
Research & devel. exp.	3,593,000	4,560,000
Pension plans	2,047,000	2,811,000
Interest expense	2,776,000	3,060,000
Interest income	(689,000)	(711,000)
Other expense	164,000	205,000
Income before taxes	$ 4,839,000	$ 7,423,000
Income taxes	947,000	1,480,000
Net Income	$ 3,892,000	$ 5,943,000
Extraord. gain	1,508,000	—
Net Income & extraord. gain	$ 5,400,000	$ 5,943,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,306,000 in 1990 and $5,903,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 4,012,000	$ 7,609,000
Accts. receiv., net	50,416,000	47,329,000
*Inventories	22,092,000	22,207,000
Prepaid expenses	674,000	697,000
Current Assets	$ 77,194,000	$ 77,842,000
#Fixed assets	44,859,000	41,239,000
Cost in exc. of assets acq.	9,362,000	9,729,000
Other assets	8,711,000	9,132,000
Total Assets	$ 140,126,000	$ 137,942,000

Liabilities

Long-term debt, curr.	$ 378,000	$ 650,000
Accts. payable & accruals	15,120,000	13,795,000
Contract advances & deposits	12,713,000	8,118,000
Income taxes	1,086,000	2,397,000
Curr. Liabilities	$ 29,297,000	$ 24,960,000
Long-term debt	30,808,000	36,670,000
Deferred inc. taxes	7,356,000	6,765,000
ESOT loan oblig.	17,718,000	18,480,000
Minority interest	4,932,000	3,410,000
+Preferred stock	89,000	90,000
+Common stock	8,454,000	8,454,000
Add. paid-in capital	45,515,000	45,820,000
Retained earnings	59,730,000	57,355,000
Treasury stock	(46,156,000)	(45,280,000)
Translation adjust.	449,000	417,000
ESOT loan oblig.	(17,718,000)	(18,480,000)
Long-term incent. plan	(368,000)	(719,000)
Total Liabilities & Shareholders' Equity	$ 140,126,000	$ 137,942,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.49	4.96
% Net Income to Sales	2.81	3.97
% Net Income to Equity	7.78	12.47
Sales to Inventories	6.28	6.75
Debt to Equity	0.62	0.78
Working Capital	$ 47,897,000	$ 52,882,000
Current Ratio	2.63	3.12
Shareholders' Equity	$ 50,015,000	$ 47,657,000

EECO Incorporated

P.O. Box 659
1601 East Chestnut Avenue
Santa Ana, California 92702-0659
(714) 835-6000
FAX: (714) 953-3747

NOTE: As of May 2, 1990, the Company is operating as a debtor-in-possession under Chapter XI of the Federal Bankruptcy Code.

Officers: George B. DeHuff, III, president & chief executive officer; Robert B. Bonney, exec. v.p. & vice chairman; Scott O. Davis, v.p. & chief financial officer; Charles S. Strauch, vice chairman.

Directors: Robert B. Bonney, chairman; Wen-Hu Tu; Paul N. Uritani; R. Sterling Haight; Francis Odell.

Areas of Work: Engaged in the manufacture and sale throughout the United States of electro-mechanical switches and electronic keypad input devices for the electronics industry. Through it wholly-owned subsidiary, EECO Ltd., located in Scotland, EECO is also currently engaged in the manufacture and sale of electro-mechanical switches and electronic keyboards in Eastern Europe.

Divisions and Subsidiaries:

EECO Ltd.
Trafalgar Way Bar Hill
Cambridge CB3 8SQ England
Assembly of Maxi-Switch keyboards for sale in the European market.

Components Products Division
Video Products Division

Convergence Corporation
Irvine, California
Provides computerized editing and control systems to the television and professional video communications industry.

Transfer Agent(s):

U.S. Stock Transfer Corp.
1745 Gardena Avenue
2nd Floor
Glendale, California 91204

Stock Exchange(s): American

Ticker Symbol: EEC

Number of Employees:

1990	164	1986	880
1989	975	1985	748
1987	846		

Sales & Earnings

	Net Sales +	Net Income	No. of Com. Shares #	Earn. per Share #
1989	$ 24,832,000	$ (8,310,000)	3,979,000	$ —
1988	60,863,000	(13,163,000)	3,981,000	—
1987	48,528,000	1,526,000	4,048,000	0.38
1986	32,110,000	2,385,000	3,939,000	0.61
1985	24,759,000	1,621,000	3,819,000	0.42

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ —	—	—
1988	0.12	—	—
1987	0.24	—	—
1986	0.23	—	3-for-2
1985	0.21	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 2,853,000	$ 0.72
1988	11,732,000	2.95
1987	24,818,000	6.13
1986	23,750,000	6.03
1985	21,772,000	5.70

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account

Year ended Dec. 31	1989	1988
Net sales	$ 24,832,000	$ 60,863,000
Cost of sales	21,191,000	54,570,000
Gen., adm. & selling exp.	9,103,000	14,183,000
Res. and develop. exp.	154,000	339,000
Interest expense	2,401,000	3,126,000
Gain on sales of rl. est.	—	(7,402,000)
Reserve for restruc.	—	1,200,000
Gain on pension plan revers.	(1,299,000)	—
Loss before taxes	$ (6,718,000)	$ (5,153,000)
Tax credit	—	(1,751,000)
Loss-cont. oper.	$ (6,718,000)	$ (3,402,000)
Loss-discont. oper.	(1,600,000)	(9,761,000)
Net Loss	$ (8,310,000)	$ (13,163,000)

Assets

As of Dec. 31	1989	1988
Cash	$ 1,113,000	$ 1,012,000
Accts. receiv., net	8,320,000	17,726,000
Income taxes receiv.	112,000	1,223,000
*Inventories	13,382,000	20,102,000
Prepaid expenses	1,606,000	1,755,000
Current Assets	$ 24,533,000	$ 41,818,000
#Fixed assets	10,241,000	9,539,000
Notes receiv.	2,611,000	—
Capitalized software	1,918,000	—
Costs in exc. of assets acq.	2,281,000	2,426,000
Other assets	1,782,000	1,121,000
Total Assets	$ 43,366,000	$ 54,904,000

Liabilities

Notes payable	$ 8,215,000	$ 18,700,000
Long-term debt, curr.	668,000	527,000
Accts. payable	9,217,000	8,713,000
Accrued payroll	1,490,000	1,501,000
Income taxes	—	422,000
Other accruals	5,590,000	4,307,000
Reserve for dispos. of discont. oper.	6,200	—
Curr. Liabilities	$ 31,380,000	$ 34,170,000
Long-term debt	7,961,000	6,414,000
Def. gain on sale of real estate	# 681,000	1,637,000
Deferred inc. taxes	491,000	951,000
+Common stock	40,000	7,269,000
Add. paid-in capital	7,148,000	—
Retained earnings (deficit)	(4,061,000)	4,257,000
For. curr. trans. adjust.	(274,000)	206,000
Total Liabilities & Shareholders' Equity	$ 43,366,000	$ 54,904,000

* At lower of average cost or market (net realizable value)
# Less accumulated depreciation
+ $0.01 par value

Statistical Summary

Sales to Inventories	1.86	3.03
Debt to Equity	5.90	2.19
Working Capital	—	37,648,000
Current Ratio	—	1.22
Shareholders' Equity	$ 2,853,000	$ 11,732,000

EG&G, Inc.

45 William Street
Wellesley, Massachusetts 02181
(617) 237-5100
FAX (617) 431-4115

Officers: John M. Kucharski, chairman & chief exec. officer; Donald M. Kerr, president; Samuel Rubinovitz, exec. v.p.; Richard P. Delio, sr. v.p. & chief financial officer; John R. Dolan, sr. v.p. & chief financial officer; James O. Zane, sr. v.p.; Louis P. Valente, sr. v.p.; Fred B. Parks, sr. v.p.; William T. Barrett, v.p.; Dale L. Fraser, v.p.; Angelo D. Castellana, v.p.; Philip C. Kautt, v.p.; Daniel F. Riley, v.p.; Charles M. Williams, v.p.; Peter H. Zavattaro, v.p.; James R. Dubay, v.p.; Richard F. Murphy, v.p.; Donald H. Peters, v.p.; Luciano S. Rossi, v.p.; Louis J. Williams, v.p.; Peter A. Broadbent, treasurer; James L. McGuinness, Jr., asst. treasurer; Murray Gross, v.p., general counsel & clerk; John S. Donghue, asst. clerk; Deborah S. Lorenz, director of investor relations.

Directors: Gail Deegan, Dean W. Freed, Kent F. Hansen, Donald M. Kerr, Joseph F. Turley, Robert F. Goldhammer, Samuel Rubinovitz, John B. Gray, G. Robert Tod, Greta E. Marshall, John M. Kucharski, William F. Pounds, John L. Thompson.

Areas of Work: The Company provides advanced scientific and technical products and services worldwide. It is involved in six business segments. The INSTRUMENTS segment includes technology-based equipment for airport and industrial security and scientific instruments for precise measurement of physical, chemical and biological phenomena. Companies in the COMPONENTS segment provide mechanical, optical and electronic devices for commercial markets. The EG&G TECHNICAL SERVICES businesses provide vehicle and lubricant testing for the automotive industries. Components and subsystems for aviation and aerospace industries worldwide are provided by the EG&G companies in the AEROSPACE segment. The DEFENSE segment includes EG&G operations that support the national defense with technical products and with research, management, and field services. The DEPARTMENT OF ENERGY SUPPORT segment provides site management and engineering services.

Divisions and Subsidiaries:

INSTRUMENTS

EG&G ORTEC
100 Midland Road
P.O. 0895
Oak Ridge, Tennessee 37831-0895
(615) 482-4411

Radiation detectors and associated electronics for nuclear research, radiation-monitoring, materials analysis, and industrial quality control.

EG&G Princeton Applied Research
375 Philips Blvd.
Trenton, New Jersey 08618
(609) 530-1000

Electronic signal detectors and analyzers for plasma research, fiberoptic measurements, laser diagnostics and quality control in the manufacture of semiconductors and magnetic recording media. Electrochemical instruments for analysis of wastewater, foods and medicine, and corrosion rates. Sensors for liquid chromatography analysis, and communication interfaces for recording research data.

EG&G Geometrics
395 Java Drive
P.O. Box 497
Sunnyvale, California 94086
(408) 734-4616

Geophysical survey instrumentation. Specifically, airborne and marine magnetometers, gammaray spectrometers, seismographs and related recording equipment. Airborne surveys for mineral and energy-resource exploration.

EG&G Moisture & Humidity Systems
217 Middlesex Turnpike
Burlington, Massachusetts 01803
(508) 270-9100

Side-scan sonar systems and related instruments for the military and for academic institutions involved in oceanography and geophysics.

EG&G Chandler Engineering
7707 East 38th Street
Tulsa, Oklahoma 74145
(918) 627-1740

High-pressure, high-temperature testers for oil well cement and drilling fluids used in energy production. Precision pressure calibration instruments, consistometers, dead weight testers, viscometers and hygrometers.

EG&G Marine Instruments
1140 Route 28A
P.O. Box 498
Cataumet, Massachusetts 02534
(508) 563-9317

Oceanography instruments. Specifically, acoustic releases, conductivity-temperature-depth systems, current meters, conductivity-temperature-depth systems, current meters, transponder navigation systems, and laboratory standard equipment for the military, academic institutions, and marine industry.

EG&G Gamma Scientific
3777 Ruffin Road
San Diego, California 92123-1876
(619) 279-8034

Instruments and systems for measuring optical radiation and computer-controlled systems for spectral and spatial analysis of electronic and cathode ray tube (CRT) display. Radiometers, spectroradiometers, photometers, microdensitometers, optical spectrum analyzers.

EG&G Biomolecular
4 Tech Circle
Natick, Massachusetts 01760
(508) 650-1180

DNA sequencer instrument that automates biochemical analysis, or sequencing, or deoxyribonucleic acid of living organisms.

COMPONENTS

EG&G Rotron Group
7 Hasbrouck Lane
Woodstock, New York 12498
(914) 679-2401

Fans and blowers for cooling electronic equipment and for industrial applications. Motors and related drive systems for computer peripherals and industrial machinery.

EG&G Torque Systems
36 Arlington Street
Watertown, Massachusetts 02172
(508) 924-6000

Servo motors, tachometers, power amplifiers, and motor controls.

EG&G Fluid Components Technology Group
15 Pioneer Avenue
Warwick, Rhode Island 02888
(401) 781-4700

Seals and bellows devices from EG&G Sealol used in systems involving engines, motors, gearboxes, pumps, and compressors. Applications in aerospace, marine, military, petrochemical, chemical processing, and other industrial markets. Tensioner systems for manway covers in nuclear plants. Solenoid and mechnical valves from EG&G Wright Components for aerospace and defense applications. Precision metal gaskets for jet engines and flexible ducting for the aircraft industry from EG&G Pressure Science. Formed metal components and assemblies for the aircraft industry from EG&G Aerofab. Precision titanium components for the aerospace industry from EG&G Missouri Metals Shaping Co.

EG&G Electro-Optics
35 Congress Street
Salem, Massachusetts 01970
(508) 745-3200

Flashtubes and power supplies for phototypesetters, office copies, laser scribers, and microfilm equipment and for use in stroboscopy, material curing, beaconry and laser-fusion research. Silicon photodiodes and instruments for detecting and measuring light. Instruments and systems to measure optical radiation. Precision timers. Automate light-sensing switches.

EG&G Frequency Products
35 Congress Street
Salem, Massachusetts 01970
(508) 745-3200

Precision frequency-control devices for military and some commercial applications. Specifically, rubidium atomic frequency standards, crystals and crystal-based oscellators, precision filers, discriminators, and equalizers.

EG&G Reticon
345 Potrero Avenue
Sunnyvale, California 94086
(408) 738-4266

Signal processing devices for communications, computer, musical instrument, and speech-recognition applications. Modem filters for data communications. Photodiode arrays for optical character recognition and facsimile transmission and image sensors for industrial quality, and process control. Camera sensor systems for industrial automation, robotics, and noncontact measurement inspection, and control.

EG&G Vactec
10900 Page Boulevard
St. Louis, Missouri 63132
(314) 423-4900

Custom, commercial optoelectronic components for street light controls, television brightness controls and slide projectors. Photodiodes used in smoke dectors, cameras and medical and chemical instruments. Sensing devices used in photocopiers, computer peripherals, and industrial controls.

EG&G Alutech
132 Sykes Road
Fall River, Massachusetts 02720
(508) 672-2212

Extruded aluminum products, heat sinks for dissipation of heat from electronic components and systems.

EG&G Power Systems Operations
1330 East Cypress Street
Covina, California 91724
(818) 967-9521

Power supply and switch mode power units from military and industrial use.

EG&G Frank Hill Associates
100 West 35th Street
Suite G
National City, California 92050
(619) 425-9841

Heat exchangers and air movers for cooling electronics equipment, primarily for military applications.

EG&G Power Systems CEA Operations
1 Aerovista Park
San Luis Obispo, California 93401
(805) 544-5454

Switching power supplies used with commercial mainframe computers, computer peripherals, microprocessor systems and AC-to-DC constant power sources, and voltage regulators.

EG&G Judson
35 Congress Street
Salem, Massachusetts

Silicon photodiodes to detect and measure light and other optical radiation.

EG&G Birtcher
4505 North Arden Drive
P.O. Box 5268
El Monte, California 91734-1268
(818) 442-2572

Printed circuit board card guides, accessories, and racks and enclosures.

EG&G Wakefield Components
60 Audubon Road
Wakefield, Massachusetts 01880
(508) 245-5900

Heat exchangers and other heat-transfer units.

EG&G Frequency Products
4914 Gray Road
Cincinnati, Ohio 45232
(513) 542-5555

Quartz crystals and high-performance crystal-based oscillators for a wide range of government and commercial satellite and telecommunications applications.

EG&G Judson (HQ)
221 Commerce Drive
Montgomeryville, Pennsylvania 18936
(215) 368-6900

Infrared and fiber-optic components -- detectors, sensors, linear arrays, dewar packages, and preamplifiers. Application of infrared materials including germanium, indium antimonide, indium aresenide, and mercury cadmium telluride.

ENVIRONMENTAL AND BIOMEDICAL TESTING SERVICES

EG&G Automotive Research
5404 Bandera Road
San Antonio, Texas 78238-1993
(512) 684-2310

Service to the automotive and petroleum industries and to the federal government by means of mobile and stationary testing of passenger cars, trucks, motorcycles, fuels, lubricants, automotive components, and vehicle emmisions.

EG&G Structural Kinematics
950 Maplelawn
Troy, Michigan 48084
(313) 643-4622

Computer-aided structural testing of automotive components (fatigue and environmental), design and manufactures mechanical test systems and supporting software.

CUSTOM SERVICES AND SYSTEMS

EG&G Florida
4109 High Point Drive
Cocoa, Florida 32926
(305) 639-3530

Management of technical operations, administrative services, utilities, facilities, and health and security services at NASA's Kennedy Space Center.

EG&G Washington Analytical Services Center
1396 Piccard Drive
Rockville, Maryland 20850
(301) 840-3000

Planning, engineering, management support to U.S. defense, energy, and space programs. Scientific instrumentation and field support on military programs being conducted by the U.S. and by foreign governments. Fire control and guidance systems, software development, shipboard systems development and testing.

EG&G Special Products Security Systems
2440 Alamo, S.E.
Albuquerque, New Mexico
(505) 243-2889

Design, engineering and installation of high-technology electronic security systems for government and industrial sites. Management services for risk assessment, avoidance/mitigation analysis, crisis procedures, and training.

EG&G Electronic Components
35 Congress Street
Salem, Massachusetts 01970
(508) 745-3200

High-reliability electronic components (thyratrons, sprytrons, krytrons, spark gaps, and over-voltage gaps) and associated assemblies for defense and energy programs.

EG&G Special Projects
821 Grier Drive
Las Vegas, Nevada 89119

Technical and field support to Department of Defense agencies.

DEPARTMENT OF ENERGY SUPPORT

EG&G Idaho
1955 Fremont Street
P.O. Box 1625
Idaho Falls, Idaho 83415
(208) 526-0111

Support to nuclear and non-nuclear programs at the Idaho National Engineering Laboratory. Management and operation of facilities for research and development in reactor safety, materials irradiation, fusion safety, and nuclear-waste management.

EG&G Energy Measurements
316 East Atlas Circle
P.O. Box 1912
Las Vegas, Nevada 89125
(702) 295-5511

Technical and scientific support in nuclear weapons effects testing and in non-nuclear energy programs. Airborne radiation surveillance an dremote sensing.

EG&G Reynolds Electrical & Engineering Co., Inc.
2501 Wyandotte Street
P.O. Box 98521
Las Vegas, Nevada 89102
(702) 295-3379

Management and support functions and DOE's Nevada Test Site, and road construction and maintenance, nuclear-waste management, large-diameter and conventional drilling, mining and tunneling, radiation monitoring, medical and health care, communications, occupational safety, fire protection, and dosimetry and fall-out research.

INVESTMENTS

EG&G Ventures
700 East El Camino Real
Suite 270
Mountain View, California 94040
(415) 967-2822

A private business development organization emphasizing venture capital type investments in seeking above-average capital appreciation through marketable and non-marketable securities, common and preferred stocks in small technology companies, venture capital limited partnerships, and other business entities.

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
Mail Stop 45-02-09 P. O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York

Ticker Symbol: EGG

Number of Employees:

1990	30,000	1987	23,000
1989	30,000	1986	23,000
1988	25,000		

N.A. - Not Available

Sales & Earnings

	Net Sales ‡	Net Income
1990	$ 2,474,288,000	$ 73,966,000
1989	1,650,158,000	69,850,000
1988	1,406,280,000	68,657,000
1987	1,264,843,000	57,541,000
1986	1,190,288,000	47,948,000

	No. of Com. Shares *	Earn. per Share *
1990	28,494,000	$ 2.60
1989	29,131,000	2.40
1988	29,889,000	2.30
1987	29,965,000	1.92
1986	29,819,000	1.61

‡ Includes contract revenues.
* Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1990	1989
Instruments	$ 208,263,000	$ 165,169,000
Components	240,638,000	231,091,000
Technical services	311,342,000	280,517,000
Aerospace	131,127,000	120,294,000
Defense	246,034,000	241,614,000
Dept. of energy support	1,336,884,000	611,473,000
Total	$ 2,474,288,000	$ 1,650,158,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.76	—	—
1989	0.68	—	—
1988	0.60	—	—
1987	0.56	—	—
1986	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 369,611,000	$ 12.97
1989	348,987,000	11.98
1988	332,347,000	11.12
1987	285,879,000	9.54
1986	247,914,000	8.31

Based on the weighted average number of common shares outstanding.

Income Account *
(000's)

Year ended	12/30/90	12/31/89
Net sales		
Products	$ 1,850,843	$ 1,091,321
Services	623,445	558,837
Total sales	$ 2,474,288	$ 1,650,158
Cost of sales	2,170,723	1,371,915
Expenses	195,853	179,850
Other expense (income)	515	(1,393)
Income before taxes	$ 107,197	$ 99,786
Income taxes	33,231	29,936
Net Income	$ 73,966	$ 69,850

* Included in Costs and Expenses, Depreciation and Amortization: $29,944,000 in 1990 and $25,536,000 in 1989.

Assets
(000's)

As of	12/30/90	12/31/89
Cash & cash equiv.	$ 34,158	$ 28,581
Accts. recev., net	235,199	237,489
*Inventories	113,930	116,976
Other curr. assets	24,335	24,303
Current Assets	$ 407,622	$ 407,349
Investments	41,173	38,968
#Fixed assets	70,526	73,050
Intangibles & other assets	155,903	124,036
Total Assets	$ 675,224	$ 643,403

Liabilities
(000's)

Short-term debt	$ 88,565	$ 104,531
Accts. payable	61,859	51,985
Accruals	107,524	99,646
Curr. Liabilities	$ 257,948	$ 256,162

Long-term debt	6,986	8,859
Other liabilities	40,659	29,395
*Common stock	30,051	30,051
Add. paid-in capital	5,010	5,728
Retained earnings	393,909	345,429
Cum. trans. adjust	10,097	2,095
Treasury stock	(69,436)	(34,316)
Total Liabilities & Shareholders' Equity	$ 675,224	$ 643,403

* At lower of cost (primarily FIFO) or market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	4.33	6.05
% Net Income to Sales	2.99	4.23
% Net Income to Equity	20.01	20.02
Debt to Equity	0.26	0.32
Working Capital	$ 149,674,000	$ 151,187,000
Current Ratio	1.58	1.59
Shareholders' Equity	$ 369,631,000	$ 348,987,000

EIP Microwave, Inc.

3991 MacArthur Blvd., Suite 225
Newport Beach, California 92660
(714) 774-1666

Officers: John F. Bishop, chairman of the board & treasurer; Jonathan W. Clem, v.p.-finance and administration & asst. secretary; Robert W. Austin, v.p. & general manager.

Directors: John F. Bishop, Mark K. Howlett, J. Bradford Bishop, Robert D. Johnson, John C. Metzger, James J. Shelton, J. Sidney Webb.

Areas of Work: Develops, manufactures and markets electronic test instrumentation, including automatic microwave frequency counters and signal sources, for the defense and telecommunications industries.

Joint Venture:

EIP/Cushman, Inc. (50% owned)

Transfer Agent(s):

First Interstate Bank
Stock Transfer Department
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EIPM (NASDAQ)

N/A – Not Available

Sales & Earnings

	Net Sales ‡	Net Income +
1989	$ 13,762,000	$ 771,000
1988	11,321,000	(1,552,000)
1987	18,826,000	310,000
1986	20,163,000	361,000
1985	20,293,000	759,000

	No. of Com. Shares	Earn. per Share + #
1989	2,176,535	$ 0.35
1988	2,183,035	—
1987	2,190,535	0.14
1986	2,183,187	0.16
1985	2,182,339	0.34

(Loss)
‡ Of continuing operations only
+ Including extraordinary gain of $48,000 ($0.02 per share) in 1986
# Based on the average number of common shares and common share equivalents outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	0.12	—	—
1987	0.12	—	—
1986	0.12	—	—
1988	0.12	—	—

* Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 4,911,000	$ 2.26
1988	4,426,000	2.03
1987	6,289,000	2.87
1986	6,217,000	2.85
1985	6,137,000	2.81

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 13,762,000	$ 11,321,000
Cost of sales	7,100,000	6,530,000
Charge-realignment of resour.	1,050,000	
Expenses	5,597,000	6,920,000
Interest expense (income)	(18,000)	87,000
Inc. (loss) bef. taxes	$ 33,000	$ (2,216,000)
Income taxes (credit)	10,000	(664,000)
Cum. effect of acct. change	(748,000)	
Net Income (Loss)	$ 771,000	$ (1,552,000)

* Included in Costs and Expenses. Depreciation and Amortization: $894,000,000 in 1989 and $1,129,000 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equis.	$ 2,025,000	$ 58,000
Accts. receiv., net	1,739,000	2,830,000
*Inventories	1,489,000	2,922,000
Prepaid expenses	88,000	101,000
Current Assets	$ 5,341,000	$ 5,911,000
#Fixed assets	1,162,000	2,148,000
Invest. in 50%-owned co.	87,000	123,000
Other assets	28,000	28,000
Total Assets	$ 6,618,000	$ 8,210,000

Liabilities

	1989	1988
Long-term debt, curr.	$ —	$ 944,000
Accounts payable	405,000	453,000
Accruals	926,000	779,000
Income taxes	361,000	648,000
Curr. Liabilities	$ 1,692,000	$ 2,824,000
Long-term debt	—	458,000
Deferred income taxes	—	471,000
Deferred gain on sale	15,000	31,000
+ Common stock	22,000	22,000
Add. paid-in capital	777,000	779,000
Retained earnings	4,112,000	3,625,000
Total Liabilities & Shareholders' Equity	$ 6,618,000	$ 8,210,000

* At lower of standard cost or market
# Less accumulated depreciation
+ $0.01 par value

Statistical Summary

% Income before Taxes to Sales	0.24	—
% Net Income to Sales	5.60	—
% Net Income to Equity	15.70	—
Sales to Inventories	9.24	3.87
Debt to Equity	—	0.32
Working Capital	$ 3,649,000	$ 3,087,000
Current Ratio	3.16	2.09
Shareholders' Equity	$ 4,911,000	$ 4,426,000

Eldec Corporation

16700 13th Avenue West
P.O. Box 100
Lynnwood, Washington 98046-0100
(206) 743-1313
FAX: (206) 743-8234

Officers: Max E. Gellert, chairman of the board & chief executive officer; Bruno Strauss, vice chairman; Thomas K. Brown, president & chief operating officer; Arlan Vankoevering, sr. v.p.-Aircraft Systems Division; Richard G. Behrens, v.p.-customer relations; Robert A. Brown, v.p.-central technology; Robert J. Concannon, v.p.-Monitor and Control Division; Phillip H. Lorenzen, v.p., finance, secretary & treasurer; Richard N. Simmons, v.p.-central services; John H. Vicklund, v.p.-human resources; H. Bruce Faires, v.p.-business development & marketing; Sal Ronchetti, v.p.-Power Conversion Division.

Directors: Max E. Gellert, chairman; Thomas K. Brown, Donald W. Close, Richard E. Engebrecht, Robert J. Gellert, Lawrence L. Mayhew, Glenn M. Mueller, Bruno Strauss.

Areas of Work: Custom designs and manufactures electronic and electromechanical products for aerospace, defense and industrial applications. Principal products include proximity sensing systems and fuel flow instrumentation for commercial and military aircraft, custom power supplies for U.S. military aircraft and militarized flat panel displays.

Divisions:

Power Conversion Division
Monitor and Control Division
Aircraft Systems Division

Transfer Agent(s):

First Interstate Bank Ltd.
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELDC (NASDAQ)

Number of Employees:

1990	1,500	1988	1,500
1989	1,600	1987	1,600

Sales & Earnings

	Net Sales +	Net Income
1991	$ 122,983,000	$ 2,451,000
1990	110,410,000	5,619,000
1989	97,647,000	10,748,000
1988	92,466,000	5,877,000
1987	89,927,000	5,528,000

	No. of Com. Shares	Earn. per Share ‡
1991	5,513,434	$ 0.44
1990	5,455,441	1.02
1989	5,414,755	2.00
1988	5,181,606	1.10
1987	5,159,556	1.07

+ Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1991	1990
Manufacturing	$ 112,969,000	$ 99,279,000
Engineering	10,014,000	11,131,000
Total	$ 122,983,000	$ 110,410,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ —	—	—
1990	—	—	—
1989	1.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 64,055,000	$ 11.62
1990	61,199,000	11.22
1989	55,252,000	10.20
1988	49,050,000	9.47
1987	43,101,000	8.35

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*
(000's)

Year ended	3/31/91	3/25/90
Net sales	$ 122,983	$ 110,410
Cost of sales	71,253	65,481
Expenses		
Res. & develop	11,552	6,296
Selling	6,810	6,092
Gen. & adm	27,987	24,407
Interest income	(247)	(751)
Interest expense	1,073	1,165
Share of joint venture loss	135	244
Income before taxes	$ 4,420	$ 7,476
Income taxes	1,356	2,509
Inc. - cont. oper	$ 3,064	$ 4,967
Inc. (loss) - discont. oper	(613)	652
Net Income	$ 2,451	$ 5,619

* Included in Costs and Expenses, Depreciation and Amortization: $4,927,000 in 1991 and $4,031,000 in 1990.

Assets
(000's)

As of	3/31/91	3/25/90
Cash & cash equiv	$ 609	$ 6,390
Accts. receiv., net	25,599	24,219
Contract eng. in process	4,529	4,963
*Inventories	25,421	23,164
Deferred inc. taxes	2,209	1,013
Other curr. assets	668	754
Current Assets	$ 59,035	$ 60,503
#Fixed assets	36,855	32,884
Invest. in unconsol. subsid.	663	798
Total Assets	$ 96,553	$ 94,185

Liabilities
(000's)

Long-term debt, curr	$ 41	$ 4,728
Accts. payable	3,628	2,854
Adv. from cust. - uncompleted contracts	976	2,362
Accrued compensation	8,724	9,557
Est. fut. warranty costs	1,835	1,465
Income taxes	1,571	1,491
Other accrued taxes	1,818	1,211
Curr. Liabilities	$ 18,593	$ 23,668
Long-term debt	9,331	4,571
Deferred inc. taxes	3,424	3,787
Other liabilities	1,150	960
+Common stock	276	273
Add. paid-in capital	11,454	11,052
Retained earnings	52,325	49,874
Total Liabilities & Shareholders' Equity	$ 96,553	$ 94,185

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

% Net Income to Equity	3.83	9.18
Sales to Inventories	4.84	4.77
Debt to Equity	0.15	0.15
Working Capital	$ 40,442,000	$ 36,835,000
Current Ratio	3.18	2.56
Shareholders' Equity	$ 64,055,000	$ 61,199,000

Electrohome Limited

809 Wellington Street, North
Kitchener, Ontario N2G 4J6 Canada
(519) 744-7111
FAX: (519) 749-3131

Officers: J.A. Pollock, chairman of the board, president & chief executive officer; W.D. McGregor, v.p.-Electrohome & pres.-Electrohome Communications; J.G. Gingerich, v.p.-finance & administration; W.M. Nobbs, v.p.-Electrohome & group v.p.-Electronics; R.D. Bolden, secretary & asst. treasurer.

Directors: J.A. Pollock*, chairman; Barbara L. Steele, G.S. Dembroski*, P.L. Juneau, R.J. Collins-Wright*, D.T. Wright*, W.A. Bean, Thomas H. Thomson, Z.D. Simo.

* Member of the Executive Committee

Areas of Work: Manufactures industrial electronics products, including data display monitors, professional color and black-and-white video surveillance monitors, high resolution color monitors, color computer graphics video displays, custom video displays, large screen monochrome and color data/graphics video displays, and single- and double-sided printed circuit boards. Other industrial products include sub-fractional horsepower motors, packaged motor products, and metal stamping and fabricating. Also engaged in television advertising, television commercial production, radio advertising, radio commercial production and the production of "video only" commercials.

Division:

Electronics Division
Sunwapta Broadcasting
CAP Communications

Transfer Agent(s):

Montreal Trust Company (common shares)
Toronto, Montreal & Winnipeg, Canada

National Trust Company Limited (preferred shares)
Toronto, Montreal, Winnipeg & Vancouver, Canada

Stock Exchange(s): Toronto

Ticker Symbol: EL

Number of Employees:

1990	1,002	1987	1,958
1989	1,666	1986	2,185
1988	1,715		

Sales & Earnings

	Net Sales +	Net Income #
1990	$ 139,500,000	$ (3,524,000)
1989	136,400,000	67,000
1988	125,400,000	2,197,000
1987	92,900,000	(5,280,000)
1986	101,400,000	(1,872,000)

	No. of Com Share ‡	Earn. per Share #‡
1990	5,508,000	$ —
1989	5,478,000	0.01
1988	5,463,000	0.40
1987	5,430,000	—
1986	5,427,000	—

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $4,722,000 ($0.87 per share) in 1988, and extraordinary loss of $363,000 in 1987.
‡ Based on the weighted average number of Class-X and Class-Y shares outstanding.

Revenues by Line of Business

	1990	1989
Electronics	$ 75,980,000	$ 73,861,000
Broadcasting	63,517,000	62,565,000
Total	$ 139,497,000	$ 136,426,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.05	—	—
1989	0.05	—	—
1988	0.10	—	—
1987	0.10	—	—
1986	0.10	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1990	$ 24,259,000	$ 4.40
1989	27,892,000	5.09
1988	28,351,000	5.14
1987	26,569,000	4.84
1986	32,444,000	5.93

‡ After allowing for preferred stock at stated value.

Income Account
(000's)

Year ended	12/28/90	12/29/89
Net sales	$ 139,497	$ 136,426
Cost of sales & expenses	122,483	117,369
Res. & develop	4,098	4,364
Depreciation and amortization	4,249	4,303
Interest expense	8,920	6,759
Royalty income	(506)	(574)
Eq. in inc. of assoc. co.	(300)	(174)
Unusual item	3,562	—
Inc. (loss) bef. taxes	$ (3,009)	$ 4,379
Income taxes (credit)	304	578
Inc. (loss)-cont. oper	$ (3,313)	$ 3,801
Loss-discont. oper	(211)	(3,734)
Net Income (Loss)	$ (3,524)	$ 67

Assets
(000's)

As of	12/28/90	12/29/89
Accts. receiv., net	$ 26,955	$ 29,898
*Inventories	14,756	12,582
Film & prog. rights	5,221	5,564
Prepaid expenses	4,303	3,723
Current Assets	$ 51,235	$ 51,767
≠Fixed assets	33,317	29,023
Deferred income taxes	668	748
Broadcast license	31,758	31,758
Intangibles	1,225	1,286
Other assets	3,376	5,110
Net assets-discont. oper.	—	16,825
Total Assets	$ 121,579	$ 136,517

Liabilities
(000's)

Long-term debt, curr.	$ 22,327	$ 1,861
Bank advances	7,729	19,985
Accts. pay. & accruals	17,560	19,709
Curr. Liabilities	$ 47,616	$ 41,555
Long-term debt	48,703	59,538
Net liab.-discont. oper.	371	6,862
+Preferred stock	630	670
++Class X	2,137	2,137
++Class Y	4,947	4,731
Retained earnings	17,175	21,024
Total Liabilities & Shareholders' Equity	$ 121,579	$ 136,517

* At lower of cost & replacement cost or net realizable value.
≠ Less accumulated depreciation.
+ No par value; 5.75% cumulative.
++ No par value.

Statistical Summary

%Net Income to Equity	—	0.23
Sales to Inventories	9.45	10.84
Debt to Equity	2.85	2.15
Working Capital	$ 3,619,000	$ 10,212,000
Current Ratio	1.08	1.25
Shareholders' Equity	$ 24,889,000	$ 28,562,000

Electromagnetic Sciences, Inc.

P.O. Box 7700
660 Engineering Drive, Technology Park/Atlanta
Norcross, Georgia 30092
(404) 448-5770
FAX: (404) 263-8130

Officers: John E. Pippin, chairman of the board & chief executive officer; Thomas E. Sharon, president & chief operating officer; William K. Alverson, vice president; W. Douglas McDowell, vice president; Don T. Scartz, v.p.-finance, treasurer & secretary; T. Gerald Hickman, vice president.

Directors: John E. Pippin, chairman; Henry A. Bronner, Charles J. Cunningham, Jr., Jerry H. Lassiter, John B. Mowell, Thomas E. Sharon, William F. Evans.

Areas of Work: Designs and produces microwave components, microwave subsystems, and radio-linked data terminals for the communications and related industries. These products are sold primarily to manufacturers of communications, radar, electronic countermeasures, surveillance, or similar electronic systems, and to companies using computer-controlled materials handling systems.

Subsidiaries:

Gamma-f Corporation
Torrance, California
Uses electroforming techniques to fabricate components for microwave systems.

LXE Inc. (78% owned)
Norcross, Georgia
Supplies radio-linked data communications systems to the materials handling market.

L.J. Ricardi, Inc.
Torrance, California
Engineering consulting firm.

Transfer Agent(s):

Trust Company Bank
Atlanta, Georgia

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELMG (NASDAQ)

Number of Employees:

1990	668	1987	860
1989	760	1986	750
1988	700		

Plant Footage:

1990	329,000 sq. ft.	1987	299,000
1989	329,000	1986	277,000
1988	329,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 70,214,098	$ (878,674)
1989	55,584,609	1,897,421
1988	67,080,416	7,487,156
1987	65,172,629	6,806,765
1986	47,952,000	5,478,592

	No. of Com. Shares ≠	Earn. per Share ≠
1990	7,069,000	$ —
1989	7,102,000	0.27
1988	7,116,486	1.05
1987	7,309,886	0.93
1986	7,290,754	0.75

(Loss)
≠ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 44,093,364	$ 6.24
1989	45,266,807	6.37
1988	43,369,386	6.09
1987	35,544,750	4.86
1986	30,159,778	4.14

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*

Year ended Dec. 31	1990	1989
Net sales	$ 70,214,098	$ 55,584,609
Cost of sales	50,205,090	37,678,327
Expenses	18,215,862	15,779,680
Restructuring charge	3,400,000	—
Interest income	(387,611)	(1,035,714)
Interest expense	195,431	233,895
Inc. (loss) bef. taxes	$ (1,414,674)	$ 2,928,421
Income taxes (credit)	(536,000)	1,031,000
Net Income (Loss)	$ (878,674)	$ 1,897,421

* Included in Costs and Expenses, Depreciation and Amortization: $4,889,860 in 1990 and $4,397,053 in 1989.

Assets

As of Dec. 31	1990	1989
Cash	$ 1,255,874	$ 1,260,789
Marketable securities	12,700,000	9,953,332
Receiv., net	18,464,908	15,909,619
*Inventories	5,077,621	5,483,745
Def. inc. tax benefit	1,700,000	420,000
Current Assets	$ 39,198,403	$ 33,027,485
≠Fixed assets	28,085,107	30,245,206
Other assets	1,115,128	1,142,199
Total Assets	$ 68,398,638	$ 64,414,890

Liabilities

Long-term debt, curr.	$ 180,908	$ 161,194
Accts. payable	3,972,365	2,775,835
Income taxes	441,202	58,993
Accrued compensation	3,089,400	2,835,965
Accrued pension	974,000	433,000
Restructuring charge	742,523	—
Other curr. liabilities	786,330	527,173
Curr. Laibilities	$ 10,186,728	$ 6,792,160
Long-term debt	8,277,375	8,458,283
Accrued restruc. charge	1,500,000	—
Deferred inc. taxes	3,748,217	3,366,217
Other liabilities	592,954	531,423
+Common stock	701,982	707,662
Add. paid-in capital	9,834,685	10,123,774
Retained earnings	33,556,697	34,435,371
Total Liabilities & Shareholders' Equity	$ 68,398,638	$ 64,414,890

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.27
%Net Income to Sales	—	3.41
%Net Income to Equity	—	4.19
Sales to Inventories	13.83	10.14
Debt to Equity	0.19	0.19
Working Capital	$ 29,011,675	$ 26,235,325
Current Ratio	3.85	4.86
Shareholders' Equity	$ 44,093,364	$ 45,266,807

Electronic Associates, Inc.

185 Monmouth Parkway
West Long Branch, New Jersey 07764
(201) 229-1100
FAX: (201) 229-1329

Officers: William R. Smart, chairman of the board; Robert G. Finney, president & chief exec. officer; Louis J. Tedeschi, v.p.-finance, treasurer & secretary; James P. Tarlton, v.p.-field service; Gary L. Long, v.p.-contract mfg.; Clinton C. Plietz, corp. controller.

Directors: Robert G. Finney, James C. Castle, Bruce G. Coe, C. Corson Ellis, Hilliard W. Paige, William R. Smart, Charles T. Parton, Kenneth P. Johnson, Fred L. Martinson.

Areas of Work: Develops and manufactures computer systems used in dedicated and general-purpose simulation applications for training and advanced research and development studies. Products and services include computers used for real-time simulation contract manufacturing.

Divisions and Subsidiaries:

EAI-Electronic Associates (Japan), Inc.
9th Mori Building
1-3 Shiba-Atago-cho-, Minato-Ku
Tokyo, Japan 105

Transfer Agent(s):

Manufactures Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: EA

Number of Employees:

1990	379	1987	451
1989	434	1986	408
1988	412		

Plant Footage:

1990	169,000 sq. ft.	1987	174,000
1989	169,000	1986	174,000
1988	174,000		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 40,549,000	$ 459,000
1989	44,660,000	570,000
1988	42,709,000	153,000
1987	32,556,000	222,000
1986	28,130,000	553,000

	No. of Com. Shares	Earn. Per Share ≠
1990	2,602,240	$ 0.16
1989	2,862,640	0.20
1988	2,862,640	0.05
1987	2,862,640	0.08
1986	2,862,640	0.19

+ Includes income from sales and service.
≠ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Contract manufacturing	$ 19,741,000	$ 16,758,000
Field service	16,447,000	14,665,000
Product engineering, simulation computers	4,482,000	14,027,000
Intersegment sales	(121,000)	(790,000)
Total	$ 40,549,000	$ 44,660,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 9,671,000	$ 3.72
1989	9,589,000	3.35
1988	8,881,000	3.10
1987	8,817,000	3.08
1986	10,309,000	3.60

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 40,549	$ 44,660
Cost of sales	31,291	33,119
Expenses	8,384	9,758
Gain on sale of subsid.	(1,378)	—
Simulation prods. restruc.	1,437	—
Stock repurchase charge	93	—
Curr. translation	(42)	122
Interest income	(51)	(61)
Interest expense	85	558
Other expense	25	11
Inc. bef. taxes	$ 705*	$ 1,153
Income taxes	246	583
Net Income	$ 459	$ 570

* Included in Costs and Expenses, Depreciation: $621,000 in 1990 and $749,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equis.	$ 175	$ 1,777
Receivables, net	8,374	7,585
*Inventories	5,087	6,401
Prepaid expenses	262	277
Current Assets	$ 13,898	$ 16,040
≠Fixed assets	2,851	2,985
Other assets	375	530
Total Assets	$ 17,124	$ 19,555

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 280	$ 1,355
Accts. payable	4,075	2,344
Accruals	1,922	3,090
Taxes payable	33	427
Curr. Liabilities	$ 6,310	$ 7,216
Long-term debt	703	1,842
Oblig. under cap. leases	46	91
Accrued retire. benefits	394	817
+ Common stock	2,863	2,863
Add. paid-in capital	5,415	5,228
Retained earnings	1,957	1,498
Treasury stock	(564)	—
Total Liabilities & Shareholders' Equity	$ 17,124	$ 19,555

* At lower of cost (average) or market.
≠ Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	1.74	2.58
% Net Income to Sales	1.13	1.28
% Net Income to Equity	4.75	5.94
Sales to Inventories	7.97	6.98
Debt to Equity	0.11	0.34
Working Capital	$ 7,588,000	$ 8,824,000
Current Ratio	2.20	2.22
Shareholders' Equity	$ 9,671,000	$ 9,589,000

Electronic Control Systems, Inc.

(The Company was acquired by Control Techniques plc of England, 9/30/90)

Post Office Box 2650
Fairmont, West Virginia 26554
(304) 363-8690
FAX (304) 363-2310

Officers: Michael E. Basile, president; Robert E. Harkins, vice president; Leo F. Modi, secretary and treasurer.

Directors: Michael E. Basile, Leo F. Modi, Robert E. Harkins, William R. Newlin, Paul L. Bourdeau, Paul L. Layman.

Areas of Work: Engaged in the development, manufacture, sale and installation of industrial and commercial measuring and controlling products which regulate both power and temperature, as well as the leasing of certain commercial property.

Subsidiaries:

MiLo Technology, Inc. (83.94%-owned)
Fairmont, West Virginia
Designs and markets computer interface equipment for use in the control of, and communication in, industrial processes.

Fairmont Building and Investment Company (55% owned)

Transfer Agent(s):

Mellon Bank, N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELCS (NASDAQ)

Number of Employees:

1989	78	1986	85
1988	75	1985	85
1987	66		

Plant Footage:

1989	40,500 sq. ft.	1986	40,500
1988	40,500	1985	40,500
1987	40,500		

Sales & Earnings

	Revenues +	Net Income
1989	$ 4,580,684	$ (364,087)
1988	4,313,373	(10,693)
1987	3,594,264	(242,914)
1986	3,718,720	12,256
1985	4,799,449	266,774

	No. of Com. Shares	Earn. per Share ≠
1989	895,162	$ —
1988	895,689	—
1987	900,697	—
1986	900,711	0.01
1985	892,227	0.28

(Loss)
+ Includes other operating revenues.
≠ Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1989	1988	1987	1986
Temp. control devices	29 %	31 %	35 %	38 %
SCR power supply devices	52	49	46	31
Alarm systems	11	12	12	19
Spare parts	8	8	7	12
Total	100 %	100 %	100 %	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	0.05	—	—
1986	0.05	—	—
1985	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,600,386	$ 1.79
1988	1,950,500	2.18
1987	1,936,730	2.15
1986	2,224,702	2.47
1985	2,244,021	2.52

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 4,413,372	$ 4,176,917
Rental income	86,395	84,031
Other income	81,614	42,618
Minority interest	(697)	9,807
Total income	$ 4,580,684	$ 4,313,373
Cost of sales	3,707,253	3,090,355
Expenses	1,173,974	1,162,630
Interest expense	78,606	67,081
Loss bef. taxes	$ (379,149)	$ (6,693)
Income taxes (credit)	(15,062)	4,000
Net Loss	$ (364,087)	$ (10,693)

* Included in Costs and Expenses, Depreciation and Amortization: $81,896 in 1989 and $119,230 in 1988.

Assets

As of Sept. 30	1989	1988
Cash	53,890	$ 87,679
Marketable securities	109,751	183,983
Accts. receiv., net	670,526	959,070
Income taxes	14,970	6,726
•Inventories	1,005,872	1,395,078
Prepaid expenses	22,070	22,450
Other curr. assets	7,619	11,489
Current Assets	$ 1,884,698	$ 2,666,475
Note receivable	—	58,159
⇄Fixed assets	612,390	631,859
Intangibles	—	463
Cash value - funded deferred compensation	31,134	31,134
Deferred taxes	—	3,500
Total Assets	$ 2,528,222	$ 3,391,590

Liabilities

Notes payable	$ 475,000	$ 730,000
Cap. lease oblig., curr.	—	15,727
Accts. payable	191,411	372,227
Customer deposits	—	41,499
Inc. taxes payable	—	7,500
Accruals	118,041	140,358
Other curr. liab.	10,092	3,790
Curr. Liabilities	$ 794,544	$ 1,311,020
Deferred compensation	31,134	31,134
Minority interest	102,158	98,936
+Common stock	98,036	98,036
Add. paid-in capital	1,381,940	1,381,940
Retained earnings	228,762	592,849
Treasury stock	(108,352)	(107,196)
Amts. receiv. from officers	—	(15,129)
Total Liabilities & Shareholders' Equity	$ 2,528,222	$ 3,391,590

• Materials and supplies at lower of average cost or market. Work in process and finished goods at FIFO cost, which is not in excess of market.
⇄ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	4.39	2.99
Debt to Equity	0.30	0.38
Working Capital	$ 1,090,154	$ 1,355,455
Current Ratio	2.37	2.03
Shareholders' Equity	$ 1,600,386	$ 1,950,500

Electronic Data Systems Corporation

(A wholly owned subsidiary of General Motors Corporation)

7171 Forest Lane
Dallas, Texas 75230
(214) 604-6000
FAX: (214) 661-6146

Officers: Lester M. Alberthal, Jr., chairman of the board, president & chief executive officer; J. Davis Hamlin, sr. v.p.; Paul J. Chiapparone, senior vice president; Gary J. Fernandes, senior vice president; Malcolm J. Gudis, senior vice president; Jeffrey M. Heller, senior vice president; Dean Linderman, senior vice president; G. Stuart Reeves, senior vice president; John R. Castle, Jr., sr. v.p., general counsel & secretary; Anthony E. Weynand, v.p., controller & treasurer; Joseph M. Grant, v.p. & chief financial officer; Thomas D. Behne, vice president; Thomas L. Bockholt, vice president; James P. Buchanan, vice president; Ronald F. Hudler, vice president; Gilbert E. Hurley, vice president; Claiborne H. Johnson, Jr., vice president; Henry E. Johnston, vice president; Glen D. Self, vice president; Robert N. Sharpe, vice president; Frank L. Stoneking, vice president; Thomas D. Streeter, vice president; Claude K. Chappelear, vice president; Larry Bryant, v.p.; J. Coley Clark, v.p.; Joseph W. Holmes, v.p.; John Muscarella, v.p.; George C. Newstrom, v.p.; Jose Ofman, v.p.; Gary Rudin, v.p.

Directors: Lester M. Alberthal, Jr., Paul Chiapparone, Gary J. Fernandes, Malcolm J. Gudis, J. Davis Hamlin, Jeffrey M. Heller, Dean Linderman, John E. Mischi, Robert T. O'Connell, G. Stuart Reeves, Robert J. Schultz, F. Alan Smith, Robert C. Stempel.

Areas of Work: Designs, installs and operates business information and communications systems.

Subsidiary:

MTech Corp
Provides data processing services to financial institutions.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Midwest*, Pacific*, Philadelphia* — *Unlisted trading privileges.

Ticker Symbol: GME

Number of Employees:

1990	61,000	1988	50,000
1989	56,000	1987	44,000

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1990	$ 6,108,800	$ 496,900
1989	5,466,800	435,300
1988	4,844,100	384,100
1987	4,427,700	323,100
1986	4,366,000	260,900

	No. of Com. Shares ‡	Earn. per Share ‡
1990	239,300,000	$ 2.08
1989	238,700,000	1.81
1988	243,800,000	1.57
1987	243,800,000	1.33
1986	243,800,000	1.07

‡ Based on GM Class E Common stock outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.56	—	—
1989	0.48	—	2-for-1
1988	0.34	—	—
1987	0.26	—	—
1986	0.20	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	$ 2,181,800	$ 9.12
1989	1,763,600	7.39
1988	1,403,900	5.76
1987	1,053,500	4.32
1986	798,300	3.27

‡ Based on GM Class E Common stock outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Systems & other contracts	$ 6,021,700	$ 5,373,500
Interest & other income	87,100	93,300
Total revenues	$ 6,108,800	$ 5,466,800
Cost of revenues	4,639,000	4,168,600
Expenses	663,000	605,200
Interest expense	18,100	12,700
Income before taxes	$ 788,700	$ 680,300
Income taxes	291,800	245,000
Net Income	$ 496,900	$ 435,300

* Included in Costs and Expenses, Depreciation and Amortization: $495,700,000 in 1990 and $450,400,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 407,100	$ 400,500
Marketable securities	308,300	280,700
Accts. receiv., net	719,000	551,200
Accts. receiv.-GM & subsid.	63,200	95,500
•Inventories	75,500	46,300
Prepaid expenses	143,300	83,700
Current Assets	$ 1,716,400	$ 1,457,900
⇄Fixed assets	1,197,100	1,083,100
Land held for invest.	134,500	119,900
Investments	992,900	778,100
Other assets	524,400	479,200
Total Assets	$ 4,565,300	$ 3,918,200

Liabilities
(000's)

Notes payable	$ 184,600	$ 123,200
Accts. payable	210,400	165,100
Accruals	706,600	557,200
Deferred revenue	373,500	356,400
Income taxes	74,700	74,100
Adv. from GM	104,100	218,500
Curr. Liabilities	$ 1,653,900	$ 1,494,500
Notes payable	263,100	210,900
Adv. from GM & subsid.	22,000	115,500
Deferred inc. taxes	444,500	333,700
+Common stock	272,500	237,500
Retained earnings	1,909,300	1,526,100
Total Liabilities & Shareholders' Equity	$ 4,565,300	$ 3,918,200

• At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ No par value

Statistical Summary

% Income bef. Taxes to Revenues	12.91	12.44
% Net Income to Revenues	8.13	7.96
% Net Income to Equity	22.77	24.68
Debt to Equity	0.21	0.19
Working Capital	$ 62,500,000	—
Current Ratio	1.04	—
Shareholders' Equity	$ 2,181,800,000	$ 1,763,600,000

Electronics, Missiles & Communications, Inc.

Susquehanna Street Extension
P.O. Box 68
White Haven, Pennsylvania 18661-0068
(717) 443-9575
FAX: (717) 443-9257

Officers: S. Stanley Fischman, president/CEO; Robert G. Nash, v.p. & dir.-engineering; John Saul, v.p.; Perry Spooner, v.p.; H. P. Chalmers, treasurer; Martin D. Cohn, secretary; Kay Krull, asst. secretary.

Directors: Shirley Chalmers, H. P. Chalmers, S. Stanley Fischman, Leonard S. Teven.

Areas of Work: Manufactures television broadcast equipment for commercial, educational and private television systems. Principal products are low and medium power television transmitters for VHF, UHF and microwave television transmission; translators, and down-converters. Manufactures television broadcast equipment for commercial, educational and private television systems. Principal products are low and medium power television transmitters for VHF, UHF and microwave television transmission; translators, and down-converters.

Subsidiary:

Del's Tower Service, Inc.
dba EMCEE Towers
Tower and antenna erection and repair

Transfer Agent(s):

Harris Trust and Savings Bank
311 West Monroe, 11th Floor
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ECIN (NASDAQ)

Number of Employees:

1990	80	1987	62
1989	75	1986	65
1988	62		

Plant Footage:

1990	27,000 sq. ft.	1987	27,000
1989	27,000	1986	27,000
1988	27,000		

Sales & Earnings

	Net Sales	Net Income †
1990	$ 10,108,775	$ 374,886
1989	6,577,191	404,024
1988	3,570,507	(828,370)
1987	5,540,602	(250,300)
1986	7,176,170	550,222

	No. of Com Shares	Earn. per Share †+
1990	4,172,702	$ 0.09
1989	4,172,702	0.10
1988	4,107,767	—
1987	4,107,767	—
1986	4,107,771	0.13

(Loss)
† Included extraordinary gains of $56,000 ($0.01 per share) in 1990, $217,000 ($0.05 per share) in 1989 and $275,000 ($0.06 per share) in 1986.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 702,222	$ 0.17
1989	327,336	0.08
1988	(176,688)	—
1987	651,682	0.16
1986	901,989	0.22

(Deficiency)

Income Account *

Year ended March 31	1990	1989
Net sales	$ 10,108,775	$ 6,577,191
Cost of sales	7,343,429	4,507,883
Expenses		
Selling	980,003	848,493
General & administrative	828,592	653,635
Research & development	125,473	122,049
Legal expenses	250,399	36,613
Other expenses	205,993	180,494
Inc. bef. taxes	$ 374,886	$ 228,024
Income taxes	56,000	41,000
Net Income	$ 318,886	$ 187,024
Extraord. gain	56,000	217,000
Net Income & extraord. gain	$ 374,886	$ 404,024

* Included in Costs and Expenses, Depreciation: $93,338 in 1990 and $95,698 in 1989.

Assets

As of March 31	1990	1989
Cash & cash equiv.	$ 229,070	$ 258,093
Cert. of deposit	100,000	100,000
Accts. receiv., net	1,908,679	1,042,203
*Inventories	1,638,041	1,758,568
Prepaid expenses	65,552	44,154
Current Assets	$ 3,941,342	$ 3,203,018
≠Fixed assets	555,931	500,221
Total Assets	$ 4,497,273	$ 3,703,239

Liabilities

Notes payable-bank	$ 913,659	$ 100,000
Long-term debt, curr.	254,840	270,382
Accts. payable	1,035,622	1,044,220
Accruals	344,219	262,815
Cust. deposits	159,167	292,858
Curr. Liabilities	$ 2,707,507	$ 1,970,275
Long-term debt	837,544	1,080,628
Notes pay. rel. parties	250,000	325,000
+ Common stock	69,546	69,546
Add. paid-in capital	3,383,520	3,383,520
Ret. earnings (deficit)	(2,750,844)	(3,125,730)
Total Liabilities & Shareholders' Equity	$ 4,497,273	$ 3,703,239

• At lower of standard cost or market.
≠ Less accumulated depreciation.
+ $0.01 2/3 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.71	3.47
% Net Income to Sales	3.15	2.84
% Net Income to Equity	45.41	57.14
Sales to Inventories	6.17	3.74
Debt to Equity	3.21	5.43
Working Capital	$ 1,233,835	$ 1,232,743
Current Ratio	1.46	1.63
Shareholders' Equity	$ 702,222	$ 327,336

Eli Lilly and Company

Lilly Corporate Center
Indianapolis, Indiana 46285
(317) 276-2000
FAX: (317) 276-2095

Officers: Richard D. Wood, chairman of the board, president & chief executive officer; J. B. King, v.p. & general counsel; Vaughn D. Bryson, exec. v.p.; Eurelio M. Cavalier, group v.p., sales-Pharmaceutical Division; James M. Cornelius, v.p.-finance & chief financial officer; Mitchell E. Daniels, Jr., v.p.-Corporate Affairs Division; Earl B. Herr, Jr., exec. v.p.; Joseph C. Cook, Jr., v.p.-production operations & engineering; E. Walter Lange, group v.p.-marketing planning and development, Pharmaceutical Division; Mel Perelman, exec. v.p. & president-Lilly Research Laboratories; Eugene L. Step, exec. v.p. & president-Pharmaceutical Division; John G. Whitney, vice president-Lilly Research Laboratories; W. Leigh Thompson, group v.p.-Lilly Research Laboratories; Robert H. Williams, v.p.-environmental affairs, quality control & quality assurance; Jacques M. Chiller, v.p.-Lilly Research Laboratories; Sidney A. Taurel, president-Eli Lilly International Corporation; Thomas L. Emmick, v.p.-Lilly Research Laboratories; Stephen A. Stitle, v.p.-human resources; Ronald A. Matricaria, pres.-medical devices & diagnostics div.

Directors: Richard D. Wood*, chairman of the board; Steven C. Beering, Earl B. Herr, Jr.*, Mel Perelman*, Eugene L. Step*, Alva O. Way, J. Clayburn La Force, Jr., Vaughn D. Bryson*, James M. Cornelius*, Randall L. Tobias, Karen N. Horn, Ben F. Love, James W. Cozad.

• Member of the Executive Committee

Areas of Work: Engaged in the discovery, development, manufacture and sale of products in two principal industries: human health and agriculture. The human health segment includes pharmaceuticals, electronic medical instrument systems, implantable cardiac pacemakers, empty gelatin capsules, and bulk chemicals. Pharmaceuticals include analgesics, an antiarthritic agent, antibiotics, antidiabetic agents, hematinics, hormones, oncolytic agents, sedatives, vitamins, and other pharmaceuticals for human use. Electronic medical instrument systems include products for measuring patient temperatures and for administering and monitoring intravenous fluid infusions. The agriculture segment includes animal health products. Animal health products include a nonhormonal cattle feed additive that improves feed efficiency, various antibiotics for promoting feed efficiency and growth in swine, and anti-coccidial agent for use in broilers and layer replacements, and other products for livestock, poultry, and pet animals.

Eli Lilly and Company

Electronics Operations:

IVAC Corporation
P.O. Box 85335
San Diego, California 92138-5335
(619) 458-7000

Worldwide manufacturing and marketing of electronic medical instrument systems, including intravenous infusion devices and electronic thermometers.

Cardiac Pacemakers, Inc.
4100 Hamline Avenue North
St. Paul, Minnesota 55112-5798
(612) 638-4000

Engaged in the business of designing, developing, manufacturing, and marketing implantable cardiac, external and implantable defibrillators, and cardiac monitors.

Physio-Control Corporation
P.O. Box 97006
Redmond, Washington 98073-970
(206) 867-4000

Manufactures and distributes electronic products used in cardiovascular medicine, including defibrillators/monitors, peritoneal dialysis equipment, blood pressure monitoring devices, ultrasonic Doppler probes, in-vivo oximeters, and vascular implant products.

Advanced Cardiovascular Systems, Inc.
P.O. Box 58167
Santa Clara, California 95052-8167
(408) 235-3000

Designs, manufactures and markets coronary angioplasty catheter systems.

Devices for Vascular Intervention, Inc.
595 Penobscott Dr.
Redwood City, California 94063
(415) 361-1444

Develops, manufactures and markets a line of products to treat peripheral and coronary vascular disease by the removal of atherosclerotic plaque.

Joint Venture:

DowElanco (40%-owned)
In combination with The Dow Chemical Company

Transfer Agent(s):

Eli Lilly and Company
Shareholder Services Dept.
Lilly Corporate Center
Indianapolis, Indiana 46285

Stock Exchange(s): New York, Zurich, Basel, Geneva, Pacific, Tokyo, London

Ticker Symbol: LLY (New York)

Number of Employees:

1990	29,900	1987	25,700
1989	28,200	1986	29,100
1988	26,700		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 5,191,600	$ 1,127,300
1989	4,175,600	939,500
1988	3,607,400	761,000
1987	3,236,100	643,700
1986	2,933,600	558,200

	No. of Com. Shares ‡	Earn. per Share ‡
1990	289,993,000	$ 3.90
1989	294,507,000	3.20
1988	287,374,000	2.67
1987	294,014,000	2.21
1986	289,226,000	1.94

+ Of continuing operations only.
‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Anti-infectives	$ 1,604,100	$ 1,447,400
Medical instruments	1,013,400	784,700
Central nervous systems	1,005,600	574,200
Diabetic care	552,200	488,600
Animal health	350,400	337,300
Other	665,900	543,400
Total	$ 5,191,600	$ 4,175,600

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.64	—	—
1989	1.35	—	2-for-1
1988	1.15	—	—
1987	1.00	—	—
1986	0.90	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	$ 3,467,500	$ 11.96
1989	3,757,100	12.76
1988	3,225,300	11.22
1987	3,042,600	10.35
1986	2,739,600	9.47

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 5,191,600	$ 4,175,600
Cost of sales	1,523,300	1,255,800
Expenses		
Research & develop.	702,700	605,400
Marketing & adm.	1,426,200	1,149,600
Other income	(59,600)	(165,100)
Income before taxes	$ 1,599,000	$ 1,329,900
Income taxes	471,700	390,400
Net Income	$ 1,127,300	$ 939,500

* Included in Costs and Expenses, Depreciation and Amortization: $247,500,000 in 1990 and $229,300,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 350,200	$ 323,000
Short-term invest.	400,600	329,000
Accts. receiv., net	770,700	732,100
Other receiv.	108,000	113,700
*Inventories	673,000	599,500
Prepaid exp.	198,800	177,100
Current Assets	$ 2,501,300	$ 2,274,400
≠Fixed assets	1,704,800	1,459,000
Other assets	2,936,700	2,114,600
Total Assets	$ 7,142,800	$ 5,848,000

Liabilities
(000's)

Short-term borrowings	$ 1,239,500	$ 134,000
Accts. payable	259,900	196,200
Accrued payroll	367,700	290,900
Dividends payable	143,800	115,500
Other curr. liabilities	406,700	323,100
Income taxes pay.	400,000	269,100
Curr. Liabilities	$ 2,817,600	$ 1,328,800
Long-term debt	277,000	269,500
Deferred inc. taxes	351,200	300,400
Other liabilities	229,500	192,200
+Common stock	177,600	176,800
Retained earnings	4,548,700	4,065,400
Loan to ESOP	(109,900)	(122,900)
Curr. trans. adjust.	28,600	(53,900)
Treasury stock	(1,177,500)	(308,300)
Total Liabilities & Shareholders' Equity	$ 7,142,800	$ 5,848,000

* At lower of cost (LIFO and FIFO) or market.
≠ Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	30.80	31.85
% Net Income to Sales	21.71	22.50
% Net Income to Equity	32.51	25.01
Sales to Inventories	7.71	6.97
Debt to Equity	0.44	0.11
Working Capital	—	$ 945,600,000
Current Ratio	—	1.71
Shareholders' Equity	$ 3,467,500,000	$ 3,757,100,000

Emerson Electric Co.

8000 West Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000
FAX: (314) 553-3527

Officers: C. F. Knight, chairman & chief executive officer; A. E. Suter, president & chief operating officer; R. W. Staley, vice chairman & chief administrative officer; J. K. Ver Hagen, vice chairman; J. G. Berges, exec. v.p.; W. L. Davis, exec. v.p.; D.O. Gifford, exec. v.p.; V. H. Heath, exec. v.p.; J-P. L. Montupet, exec. v.p.; R. J. Novello, exec. v.p.; G.W. Tamke, exec. v.p.; W. W. Withers, sr. v.p., secretary & general counsel; H. F. Faught, sr. v.p.-technology; J. C. Rohrbaugh, sr. v.p.-industrial relations; R. M. Cox, Jr., sr. v.p.-development; I. J. Evans, sr. v.p.-corp. mfg.; W. J. Galvin, sr. v.p.-finance & controller; J. F. Bradley, v.p.-procurement; C.A. Peters, v.p.-corporate planning; C. W. Groennert, v.p.-financial services; J. A. Harmon, v.p.-exec. compensation & administration; P. A. Roberts, v.p.-public affairs; H. J. Yopp, v.p.-tax; R. J. Habegger, v.p.-corp. mfg.; J. C. Killeen, v.p.-corp. sales; S. P. Cortinovis, v.p.-international development; R.F. Grinstead, v.p.-organization development; J.D. Switzer, v.p.-development; H. M. Smith, asst. secretary; M.J. Proudfoot, v.p.-international; N.M. Barry, asst. treasurer; P.R. Roth, asst. treasurer; W.E. Rosenberg, asst. treasurer.

Directors: J. A. Frates*, B. A. Schriever, L. L. Browning, Jr.*, C. F. Knight*, Eugene F. Williams, Jr.*, G. A. Lodge, L. J. Conti, V. R. Loucks, Jr., W. M. Van Cleve*, A. A. Busch, III*, J. J. Adorjan*, R. B. Horton, R. B. Loynd, J. K. Ver Hagen*, R. W. Staley*, D. C. Farrell, A. E. Suter, E.E. Whitacre, Jr.

* Member of the Executive Committee

Areas of Work: Government & Defense Group Airborne fire control radar systems, airborne radio navigation systems, ammunition storage and feed systems, anechoic chambers, anti-submarine warfare detection & recording systems, automatic test equipment, electronically scanned antennas, magnetic tape recorders, intrusion detection systems, metallic and non-metallic detectors, guidance & control systems, low noise antenna feeds, naval surface armament systems, power supplies, research & development, rocket systems, rocket & missile launching systems, satellite communications & telemetry validation systems & tactical navigation systems & missile antenna development.

Consumer Group

Arc welders, band saws, ceiling systems, console humidifiers, door chimes, drain cleaning equipment, drill presses, electric baseboard heat, electric heating and cooling systems, electrostatic air cleaners, gas cutting & welding equipment, hand tools, hot water dispensers, intercom systems, ladders & scaffolding, lathes, planers and shapers, plastic pipe welders, point source illumination, power chain saws, power plumbing tools, security systems, lighting interconnect systems, monofilament line lawn trimmer, pipe working tools, smoke detectors, ventilation and exhaust systems, waste disposers, hobbyist tools, automatic dishwashers, water fountain valves, woodworking benches and radial saws

Commercial & Industrial Components and Systems Group
Air conditioning and refrigeration compressor motors, dryers, expansion valves, fan motors, solenoid control valves, appliance electric heating elements and controls, appliance motors, automation systems, belt and chain components & drives, bimetallic control devices, cams and index equipment, controlled speed drives, eddy current controls and drives, electronic variable speed drives, conveyor components, electronic power supplies, fluid flow instrumentation, fluid heat transfer systems, gears, gear motors, heating blower motors and controls, industrial electric heating elements and products, irrigation flowmeter/control systems, liquid level measurement instrumentation, machine tool drives and controls, magnetic flowmeters, mechanical couplings, metal stampings, positive displacement meters, process control instrumentation, sealed terminals, special application motors, speed reducers, thermal limit devices, turbine meters, ultrasonic meters, uninterruptible power systems, vertical pump motors and drives, aviation instrumentation, and utilities equipment and tools

Divisions and Subsidiaries:

Alco Controls Division
P.O. Box 12700
St. Louis, Missouri 63141
(314) 432-6300

Brooks Instrument Division
407 W. Vine Street
Hatfield, Pennsylvania 19440
(215) 368-2000

Commercial Cam Division
400 N. Ashland
Chicago, Illinois 60622
(312) 243-6900

Day-Brite Lighting Division
1015 S. Green Street
Drawer 1687
Tupelo, Mississippi 38801

Fusite Division
6000 Fernview Avenue
Cincinnati, Ohio 45212
(513) 731-2020

Louisville Ladder Division
1161 Algonquin Parkway
Louisville, Kentucky 40208
(501) 636-2811

Ridge Tool Division
400 Clark Street
Elyria, Ohio 44035
(216) 323-5581

Special Products Division
5657 Campus Parkway
Hazelwood, Missouri 90051

Therm-O-Disc
1320 S. Main Street
Mansfield, Ohio 44907
(419) 756-5911

U.S. Electrical Motors Division
Old Gate Lane
Milford, Connecticut 06460
(203) 878-9311

White-Rodgers Division
9797 Reavis Road
St. Louis, Missouri 62123
(314) 631-9797

Edwin L. Wiegand Division
7500 Thomas Boulevard
Pittsburgh, Pennsylvania 15208
(412) 242-6400

Electronics & Space Division
8100 W. Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000

Emerson Specialty Motor Division
8100 W. Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000

Emerson Electric GmbH
Division Gustav Benz
Heerstrasse 111
D7050 Waiblingen, Postfact 1229, West Germany

Emerson Electric Canada Limited
P.O. Box 150, Highway 48
Markham, Ontario, Canada
(416) 297-1030

ACDC Electronics Division
401 Jones Road
Oceanside, California 92054

Emerson Electric Industrial Controls Division
P.O. Box 1679
Santa Ana, California 92702

Harris-Calorific Division
5501 Cass Avenue
Cleveland, Ohio 44102

ENI, Inc.

Emerson Finance Company

SWECO, Inc.

Southwest Mobile Systems Corp.

Western Forge

Vacco Industries

Emerson Contract Division

Xomox
Manufactures valves.

Emerson Japan, Ltd.

Rittenhouse Division

Rosemount Inc.
Develops and manufactures process control instrumentation and systems.

McPhilben Lighting Division

Appleton Electric Company

Rantec Division

Hazeltine Corporation
Commack, New York 11725
(516) 462-5100
Designs, develops and manufactures government products consisting of air traffic control equipment; electronic displays for defense and other government purposes, including displays for use in early warning, command and control systems, tactical displays and digital video display systems; antisubmarine warfare equipment, aircraft identification (IFF) systems, modems for communications, microwave landing systems and computer-based training systems.

Branson, Inc.
Produces ultrasonic products for cleaning, metal testing and plastic welding.

Beckman Industrial, Inc.
Manufacturer of electronic components, test equipment and process control instrumentation.

Hurst, Inc.
Manufactures high performance stepper and permanent magnetic motors.

Micro Motion, Inc.
Produces mass flow measurement systems.

Computer Power Systems, Inc.
Manufactures power conditioning systems for computers.

Automatic Switch Company
50-60 Hanover Road
Florham Park, New Jersey 07932
Designs and manufactures industrial solenoid valves and products for the control of fluids and flow of electric power.

Kiowa Corporation
Manufactures electronic motion control products.

Copeland Corporation
Manufactures compressors.

Liebert Corporation
Manufactures environmental control systems for computers.

Powertec/SCI
Manufactures power supplies for use in electronic equipment.

Joucomatic
Manufactures pneumatic and general-purpose solenoid valves, serving primarily the European packaging, chemical and automotive industries.

Transfer Agent(s):

Boatmen's Trust Company
(Common & Preferred Shares)
510 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): New York, Midwest

Ticker Symbol: EMR

Number of Employees:

1990	73,700	1987	68,700
1989	72,600	1986	60,700
1988	70,800		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 7,573,400	$ 613,200
1989	7,071,300	588,000
1988	6,651,500	528,800
1987	6,170,300	467,200
1986	5,242,400	427,400

	No. of Com Shares ‡	Earn per Share ‡
1990	223,150,000	$ 2.75
1989	223,760,000	2.63
1988	229,246,000	2.31
1987	233,860,000	2.00
1986	233,104,000	1.83

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1990	1989
Commercial & industrial	$ 5,810,000	$ 5,129,000
Consumer products	1,154,000	1,266,000
Government & defense	609,000	676,000
Total	$ 7,573,000	$ 7,071,000

Common Stock

	Cash Dividend *	Stock Dividend	Stock Split
1990	$ 1.26	—	—
1989	1.12	—	—
1988	1.00	—	—
1987	0.97	—	3-for-1
1986	0.92	—	—

* Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	$ 2,989,900	$ 13.39
1989	3,073,400	13.79
1988	2,820,100	12.51
1987	2,702,500	11.68
1986	2,374,000	10.75

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1990	1989
Net sales	$ 7,573,400	$ 7,071,300
Cost of sales	5,001,800	4,662,700
Expenses	1,428,400	1,335,600
Other expense	154,200	119,000
Income before taxes	$ 989,000	$ 954,000
Income taxes	375,800	366,000
Net Income	$ 613,200	$ 588,000

* Included in Costs and Expenses, Depreciation and Amortization: $269,300,000 in 1990 and $230,800,000 in 1989.

Assets
(000's)

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 98,300	$ 112,700
Accts. receiv., net	1,410,000	1,240,400
•Inventories	1,391,600	1,286,000
#Fixed assets	1,535,800	1,197,700
Exc. of cost over assets acq.	1,038,000	791,900
Other assets	902,700	779,300
Total Assets	$ 6,376,400	$ 5,408,000

Liabilities
(000's)

	1990	1989
Borrowings	$ 1,414,200	$ 742,700
Accts. pay., accruals & other liabilities	1,972,300	1,591,900
Shareholders' equity	2,989,900	3,073,400
Total Liabilities & Shareholders' Equity	$ 6,376,400	$ 5,408,000

• At lower of cost or market. Majority at standard costs, remainder at FIFO.
Less accumulated depreciation.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	13.06	13.49
% Net Income to Sales	8.10	8.32
% Net Income to Equity	20.51	19.13
Sales to Inventories	5.44	5.50
Debt to Equity	0.47	0.24
Shareholders' Equity	$ 2,989,900,000	$ 3,073,400,000

Emerson Radio Corp.

1 Emerson Lane
North Bergen, New Jersey 07047
(201) 854-6600
FAX: (201) 854-8357

Officers: William W. Lane, chairman; Jane Coppola, v.p.-import operations; Stephen L. Lane, president; Donald Dvorkin, exec. v.p. & secretary; Harold Falik, exec. v.p.-finance; Kunio Takei, exec. v.p.-foreign operations; Hachiro Masuda, v.p.-design; Marino Andriani, sr. v.p.; Edward Bohn, v.p.-finance & treasurer; Edward Beller, v.p.-domestic operations; Toshinori Ishii, v.p.-engineering; Rudolph Malacrida, v.p.-mgmt. info. systems; Freeman Robinson, sr. v.p.-corproate administration; John R. Bond, sr. v.p.-key accounts.

Directors: William W. Lane, chairman; Stephen L. Lane, Jay M. Haft, Donald Dvorkin, Walter F. Mondale, Lyle E. Gramley.

Areas of Work: Designs and markets a full line of popularly priced consumer electronics products. The company's products include televisions, video cassette recorders, portable compact disc players, microwave ovens, telephones and answering machines.

Subsidiaries:

Emerson Radio (Hong Kong) Limited
1009-1015 World Shipping Centre, 10th Floor
Harbour City, Phase 1, No. 7 Canton Road
Tsimshatsui, Kowloon, Hong Kong

Emerson Radio Canada, Ltd.
6455 Vipond Drive
Mississauga, Ontario, Canada L5T 1J9

H.H. Scott, Inc.
5601 West Side Avenue
North Bergen, New Jersey 07047
(201) 662-2000
Designs, manufactures, and markets a line of high fidelity audio and video equipment.

H.H. Scott Electronics Ltd.
1009-1015 World Shipping Centre
Harbour City, Phase 1, No. 7 Canton Road
Tsimshatsui, Kowloon, Hong Kong

Emerson Computer Corporation of Canada Limited
6455 Vipond Drive
Mississauga, Ontario, Canada L5T 1J9

Emerson Computer Corp.
5500 East Slauson Avenue
Commerce, California 90040

Emerson Technologies L.P.
4350 Von Karman Avenue, Suite 220
Newport Beach, California 92660

H.H. Scott Audio Canada Ltd.
6455 Vipond Drive
Mississauga, Ontario, Canada LT5 1J9

Transfer Agent(s):

United Jersey Bank
Hackensack, New Jersey

Stock Exchange(s): New York

Ticker Symbol: EME

Sales & Earnings

	Net Sales +	Net Income ‡
1990	$ 891,368,000	$ 10,412,000
1989	761,640,000	10,214,000
1988	728,837,000	(16,690,000)
1987	807,924,000	26,606,000
1986	563,372,000	12,907,000

	No. of Com. Shares #	Earn. per Share ‡ #
1990	35,813,000	$ 0.29
1989	36,495,000	0.28
1988	36,246,000	—
1987	36,458,000	0.73
1986	35,056,000	0.37

( ) Loss
+ Of continuing operations only.
‡ Including extraordinary gain of $580,000 ($0.02 per share) in 1989.
# Based on the weighted average number of shares oustanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	2-for-1
1986	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 94,766,000	$ 2.65
1989	89,870,000	2.46
1988	78,113,000	2.16
1987	96,041,000	2.77
1986	61,447,000	1.75

‡ Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended Mar. 31	1990	1989
Net sales	$ 891,368,000	$ 761,640,000
Cost of sales	804,328,000	693,689,000
Expenses	60,636,000	44,912,000
Interest expense	12,317,000	9,821,000
Income before taxes	$ 14,087,000	$ 13,218,000
Income taxes	3,675,000	3,584,000
Net Income	$ 10,412,000	$ 9,634,000
Extraord. gain	—	580,000
Net Income & extraord. gain	$ 10,412,000	$ 10,214,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,979,000 in 1990 and $5,012,000 in 1989.

Assets

As of Mar. 31	1990	1989
Cash & cash equiv.	$ 10,375,000	$ 9,366,000
Accts. receiv. net	70,932,000	69,568,000
•Inventories	182,332,000	91,474,000
Prepaid expenses	54,314,000	43,509,000
Current Assets	$ 317,953,000	$ 213,917,000
#Fixed assets	14,172,000	13,449,000
Other assets	6,753,000	7,102,000
Total Assets	$ 338,878,000	$ 234,468,000

Liabilities

	1990	1989
Notes & accept. payable	$ 162,868,000	$ 67,303,000
Accts. payable & accruals	27,317,000	14,713,000
Income taxes	5,397,000	5,472,000
Curr. Liabilities	$ 195,582,000	$ 87,488,000
Long-term debt	46,166,000	54,881,000
Deferred inc. taxes	2,364,000	2,229,000
+Common stock	3,557,000	3,638,000
Add. paid-in capital	56,372,000	59,483,000
Retained earnings	34,923,000	27,578,000
Deferred comp.	(86,000)	(829,000)
Total Liabilities & Shareholders' Equity	$ 338,878,000	$ 234,468,000

• At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.58	1.74
% Net Income to Sales	1.17	1.26
% Net Income to Equity	10.99	10.72
Sales to Inventories	4.89	8.33
Debt to Equity	2.21	1.36
Working Capital	$ 122,371,000	$ 126,429,000
Current Ratio	1.63	2.45
Shareholders' Equity	$ 94,766,000	$ 89,870,000

Energy Conversion Devices, Inc.

1675 West Maple Road
Troy, Michigan 48084
(313) 280-1900
FAX (313) 280-1456

Officers: Ralph F. Leach, chairman of the board; Stanford R. Ovshinsky, president & chief exec. officer; Jack T. Conway, vice chairman; Nancy M. Bacon, v.p.-finance & treasurer; Stephen J. Hudgens, v.p.-research & development; Rikuma Ito, v.p.-international market development; Iris M. Ovshinsky, v.p.; Lee E. Bailey, secretary; Subhendu Guha, v.p.-photovoltaics & information.

Directors: Hellmut Fritzsche, Iris M. Ovshinsky, Stanford R. Ovshinsky, Jack T. Conway, Ralph F. Leach, Stanley Stynes, Nancy M. Bacon, Momoko Ito, Edwin O. Reischauer, Takashi Kojima, Robert R. Wilson, J. Montieth Estes, Douglas A. Fraser, James Geater.

Areas of Work: Develops amorphous materials technology for products in three areas: energy, information and synthetic materials. Applications include photovoltaics, thermoelectrics, batteries, flat-panel displays, optical memories, electrophotograqhic drums, wear-resistant coatings and X-ray mirrors.

Divisions and Subsidiaries:

Ovonic ThermoElectric Company
Ovonic Imaging Systems, Inc. (70%-owned)
Ovonic Synthetic Materials Company, Inc.
Japan-ECD Company, Ltd.
Ovonic Battery Company, Inc.
Sovonics Solar Systems, Inc.

Joint Venture(s):

Quartet Ovonics

Transfer Agent(s):

National Bank of Detroit
Stock Transfer Department
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ENER (NASDAQ)

Number of Employees:

1989	298	1986	435
1988	331	1985	460
1987	338		

Plant Footage:

1989	159,600 sq. ft.	1986	203,140
1988	171,000	1985	175,810
1987	184,800		

Sales & Earnings

	Net Revenues	Net Income
1989	$ 25,568,099	$ (2,236,110)
1988	10,158,754	(31,292,778)
1987	19,564,494	(17,925,844)
1986	21,079,580	(27,918,630)
1985	30,110,309	(14,888,486)

	No. of Com. Shares ≠	Earn. per Share ≠
1989	6,014,893	$ —
1988	5,950,870	—
1987	5,196,382	—
1986	4,584,557	—
1985	4,356,842	—

(Loss)

≠ Based on the monthly average number of Class A common and common shares combined.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 618,737	$ 0.10
1988	2,102,743	0.35
1987	14,296,342	2.75
1986	12,081,789	2.64
1985	15,022,200	3.45

‡ Based on the monthly average number of Class A common and common shares combined.

Income Account*

Year ended June 30	1989	1988
Revenues	$ 25,568,099	$ 10,158,754
Cost of revenues	7,300,005	10,461,946
Cost of prod. sales	5,043,423	5,927,439
Product develop. exp.	5,566,238	7,982,881
Patent expenses	874,633	1,364,501
Oper., gen. & adm. exp.	10,120,837	12,162,981
Interest expense	1,399,073	845,002
Litigation & consent decree	(2,500,000)	5,276,000
Minority interest	—	(2,569,218)
Net Loss	$ (2,236,110)	$ (31,292,778)

* Included in Costs and Expenses, Depreciation and Amortization: $4,112,110 in 1989 and $4,655,588 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 153,303	$ 458,792
Short-term invest.	2,472,000	3,567,000
Cash avail. for oper. of OSMC & OIS	579,748	3,220,458
Accts. receiv., net	3,033,802	3,319,748
*Inventories	1,572,699	1,306,226
Prepaid expenses & other assets	277,279	1,022,538
Current Assets	$ 8,088,831	$ 12,894,762
≠Fixed assets	9,101,391	16,971,373
Invest. is OIS	1,112,490	—
Other assets	307,117	1,316,288
Total Assets	$ 18,609,829	$ 31,182,423

Liabilities

Notes payable	$ 3,000,000	$ 1,078,729
Long-term debt, curr.	806,337	1,432,683
Accts. payable & accruals	2,424,102	4,771,622
Accrued payroll	398,502	771,071
Deferred prod. develop. revenues	493,707	1,242,026
Curr. Liabilities	$ 7,122,648	$ 9,296,131
Long-term debt	3,092,269	8,626,812
Long-term deferred rev.	3,277,400	2,493,651
Cost in exc. of billings	—	1,700,000
Court-ordered guarantee	3,254,165	5,208,740
Minority interest	1,244,610	1,754,346
+Class A Common stock	2,199	2,199
+ECD Common stock	58,691	57,594
Add. paid-in capital	139,463,028	138,712,021
Retained earnings (deficit)	(138,905,181)	(136,669,071)
Total Liabilities & Shareholders' Equity	$ 18,609,829	$ 31,182,423

* At lower of cost (moving average) or market.

≠ Less accumulated depreciation and amortization.

+ $0.01 par value.

Statistical Summary

Debt to Equity	11.15	5.30
Working Capital	$ 966,183	$ 3,598,631
Current Ratio	1.14	1.39
Shareholders' Equity	$ 618,737	$ 2,102,743

Ericsson

(Telefonaktiebolaget LM Ericsson)
S-126 25
Stockholm, Sweden
46 8 719 00 00

Officers: Bjorn Svedberg, chairman of the board; Lars Ramqvist, president; Jan Wallander, deputy chairman; Peter Wallenberg, deputy chairman; Carl Wilhelm Ros, executive v.p. & chief financial officer; Jan Stenberg, exec. v.p.-public telecommunications & pres.-Ericsson Telecom AB; Lars Berg, sr. v.p., & president-Ericsson Network Engineering AB & Ericsson Cables AB; Ulf H. Johansson, sr. v.p.-defense systems, & president-Ericsson Radar Electronics AB; Ronny Lejdemalm, sr. v.p., & president-Ericsson Business Communications AB; Stephan Almqvist, sr. v.p.-corporate treasury; Harry Johansson, sr. v.p.-corporate audit; Bo Landin, sr. v.p.-corporate markets & corporate planning; Nils Ingvar Lundin, sr. v.p.-corporate relations; Ake Stavling, sr. v.p.-corporate financial control; Bert Jeppsson, sr. v.p.-components & president-Ericsson Components AB; Britt Reigo, sr. v.p.-corporate human resources & organization.

Directors: Jan Wallander, Lars Ramqvist, Peter Wallenberg, Sune Andersen, Claes-Goran Larsson, Georg Karnsund, Carl Wilhelm Ros, Jan Stenberg, Sven Olving, Thomas Olsson, Stanley Oscarsson, Anders Olofsson, Sten Wikander, Sven Agrup, Gothe Soderkvist, Per Lundberg, Bjorn Svedberg, Carl-Erik Feinsilber.

Areas of Work: In the area of Public Telecommunications, the Company develops, produces and installs telecommunications equipment for telecom administrations. Equipment includes telephone exchanges, transmission, telex and data processing equipment. In the area of Information Systems, the Company manufactures products and systems for the transmission of voice and data in private networks. These include communications systems, including large subscriber exchanges, Eripax data networks, modems, small subscriber exchanges, intercom systems and telephone instruments; Data systems, including data terminals, personal computers, small business systems/minicomputers, and bank terminals systems; and office equipment, including printers, typewriters, calculators and office furniture. In the area of Cables, the Company produces power cable, telecommunications cable, and specialty cables. Defense Systems includes five products areas: avionics and missile electronics; defense communications; local and mobile defense systems; control and computer systems; and microwave communications, including radio links and satellite operations. Radio Communications includes mobile telephone and radio systems and personal paging systems. Network Engineering and Construction includes network construction, including planning and construction of telecommunications networks, data networks and telesignaling installations; and signal systems, including signaling and safety systems for rail traffic as well as street and highway signaling systems. Components operations include the development, manufacture and marketing of components and power supplies for the electronics industry. Product areas include microcircuits, power systems, and capacitors and standard components.

Ericsson

Divisions and Subsidiaries (Sweden):

Bofors Electronics AB (20% owned)

AB Aulis
Stockholm, Sweden

ELLEMTEL Utvecklings AB
(50%-owned)
Stockholm, Sweden

E-P Data AB
Karlskrona, Sweden

Ericsson Business Communications AB
Stockholm, Sweden

Ericsson Cables AB
Stockholm, Sweden

Ericsson Components AB
Stockholm, Sweden

LM Ericsson Data Services AB
Stockholm, Sweden

Aktiebolaget LM Ericsson Finans (75%-owned)
Stockholm, Sweden

Ericsson Mobile Communications AB
Stockholm, Sweden

Ericsson Network Engineering AB
Stockholm, Sweden

Ericsson Programatic Sweden AB
Karlstad, Sweden

Ericsson Radar Electronics AB
Molndal, Sweden

Ericsson Radio Systems AB
Stockholm, Sweden

Ericsson Telecom AB
Stockholm, Sweden

Erisoft AB
Lulea, Sweden

Industrigruppen JAS AB
Stockholm, Sweden

Magnetic AB
Stockholm, Sweden

Mellansvenska Elektriska AB
Stockholm, Sweden

John Martensson Elmaterial AB
Helsingborg, Sweden

Nira Sverige AB
Stockholm, Sweden

Svenska Elgrossist AB SELGA
(67%-owned)
Stockholm, Sweden

Radiosystem Sweden AB
Stockholm, Sweden

Divisions and Subsidiaries (U.S.A.)

Ericsson North America, Inc
Richardson, Texas

Ericsson, Inc
Richardson, Texas

Network Systems
Richardson, Texas

Business Communications
Richardson, Texas

Radio Systems
Richardson, Texas

The Ericsson Corporation
New York, New York

Ericsson Components, Inc
Richardson, Texas

Acquisition:

Camtec Electronics Ltd
A British company that manufactures and markets products for communication in the X 25 field

Transfer Agent(s):*

Citibank, N A
New York, New York

* American Depositary Receipt

Stock Exchange(s): Stockholm*, London, Paris, Hamburg, Frankfurt-am-Main, Dusseldorf, Oslo, Geneva, Zurich, Basel, Over-the-Counter (U S) * Class A and Class B shares; all others only Class B

Ticker Symbol: ERICY (NASDAQ)* * American Depositary Receipt

Number of Employees:

1990	70,238	1987	70,893
1989	69,229	1986	72,575
1988	65,138		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	Skr45,702,000	Skr3,450,000
1989	39,549,000	2,528,000
1988	31,297,000	1,166,000
1987	32,400,000	N A
1986	31,644,000	N A

	No. of Com. Shares ‡	Earn. per Share ‡ †
1990	205,372,000	Skr14.89
1989	200,135,000	10.76
1988	190,834,000	6.26
1987	190,810,000	3.85
1986	190,055,000	3.44

Skr - Swedish knonor
N A - Not Available
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split
† After deducting appropriations

Revenues by Line of Business
(000's)

	1990	1989
Public telecommunications	Skr20,414,000	Skr17,280,000
Radio communications	11,564,000	8,062,000
Business communications	4,781,000	4,912,000
Cable & network	6,484,000	5,220,000
Components	589,000	716,000
Defense systems	1,758,000	3,252,000
Other	112,000	107,000
Total	Skr45,702,000	Skr39,549,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	3.50	—	4 for 1
1989	2.80	—	—
1988	2.10	—	—
1987	1.80	—	—
1986	1.80	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	Skr16,753,000	Skr81.57
1989	13,996,000	69.93
1988	10,909,000	57.16
1987	9,897,000	51.87
1986	9,694,000	51.01

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Income Account
(000's)

Year ended Dec. 31	1990	1989
Net sales	Skr45,702,000	Skr39,549,000
Eq. in earn. of assoc. cos	300,000	398,000
Other revenues	698,000	411,000
Total revenues	Skr46,700,000	Skr40,358,000
Cost of sales	22,891,000	20,978,000
Expenses	16,543,000	13,529,000
Depreciation	1,572,000	1,294,000
Interest expense	1,226,000	1,210,000
Interest income	(1,063,000)	(779,000)
Minority interest	676,000	411,000
Income before taxes	Skr4,855,000	Skr3,715,000
Income taxes	1,966,000	1,546,000
Deferred taxes	(227,000)	(195,000)
Minority interest	(334,000)	(164,000)
Net Income	Skr3,450,000	Skr2,528,000

Assets
(000's)

As of Dec. 31	1990	1989
Cash	Skr6,767,000	Skr5,120,000
Accts receiv., net	15,508,000	12,242,000
*Inventories	9,365,000	9,647,000
Other curr. assets	2,803,000	2,606,000
Current Assets	Skr34,443,000	Skr29,615,000
Deposits rel. to untaxed reserves	69,000	72,000
Notes & accts. receivable	377,000	433,000
Investments in assoc. cos	932,000	931,000
Other investments	605,000	211,000
Other assets	1,683,000	1,818,000
#Fixed assets	9,058,000	7,776,000
Total Assets	Skr47,167,000	Skr40,856,000

Liabilities
(000's)

	1990	1989
Short-term borrowings	Skr1,505,000	Skr1,100,000
Long-term debt, curr	849,000	671,000
Accts. payable	1,797,000	3,513,000
Advances from customers	4,477,000	3,354,000
Accrued taxes	1,363,000	1,115,000
Other current liabilities	7,841,000	6,658,000
Curr. Liabilities	Skr19,832,000	Skr16,411,000
Debentures	464,000	1,467,000
Convert. debentures	609,000	636,000
Pension liabilities	4,081,000	3,729,000
Def. tax liab. in timing dif	1,783,000	2,010,000
Other liabilities	1,858,000	1,146,000
Minority interest	1,787,000	1,441,000
+Common stock	2,057,000	2,049,000
Reserves not avail. for distr	9,406,000	8,845,000
Retained earnings	5,290,000	3,102,000
Total Liabilities & Shareholders' Equity	Skr47,167,000	Skr40,856,000

* At standard cost
# Less accumulated depreciation
+ Skr10 par value

Statistical Summary

% Income bef. Taxes to Sales	10.62	9.39
% Net Income to Sales	7.55	6.39
% Net Income to Equity	20.59	18.06
Sales to Inventories	4.88	4.10
Debt to Equity	0.20	0.28
Working Capital (000's)	Skr14,611,000	Skr13,204,000
Current Ratio	1.74	1.80
Shareholders' Equity (000's)	Skr16,753,000	Skr13,996,000

Espey Mfg. & Electronics Corp.

Ballston and Congress Avenues
Saratoga Springs, New York 12866
(518) 584-4100
FAX (518) 584-4330

Officers: Sol Pinsley, president, chief exec. officer, & treasurer; Frieda Pinsley, v.p. & secretary; Garry M. Jones, ass't treasurer & principal financial & accounting officer.

Directors: Albert K. Braim, Henry Breed, Frieda Pinsley, Sol Pinsley, Michael W. Wool.

Areas of Work: Engaged in the development, design, production and sales of specialized electronic power conditioning apparatus, a wide variety of transformers and other types of iron core components, and electronic systems.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Street
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: ESP

Sales & Earnings

	Net Sales	Net Income
1990	$ 14,967,152	$ 2,615,428
1989	14,243,888	2,222,159
1988	13,137,908	2,138,775
1987	13,243,534	1,376,234
1986	13,806,276	1,726,618

	No. of Com. Shares	Earn. per Share ‡
1990	1,448,226	$ 1.79
1989	1,470,126	1.90
1988	1,148,902	1.79
1987	1,216,902	1.13
1986	1,216,902	1.42

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1990	1989	1988	1987
Electronic power supplies	58%	59%	56%	69%
Iron-core components	21	16	27	18
Electronic syst. & assemblies	21	25	17	13
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.60	—	—
1989	0.60	—	—
1988	0.40	—	—
1987	0.40	—	—
1986	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 22,642,616	$ 15.63
1989	20,748,397	14.11
1988	18,975,129	16.52
1987	15,724,161	15.39
1986	17,815,854	14.64

Income Account *

Year ended June 30	1990	1989
Net sales	$ 14,967,152	$ 14,243,888
Cost of sales	10,306,254	10,008,165
Expenses	1,421,446	1,488,109
Interest income	(1,346,196)	(832,203)
Other income	(57,650)	(22,622)
Interest expense	480,943	51,657
Income before taxes	$ 4,162,355	$ 3,550,782
Income taxes	1,546,927	1,328,623
Net Income	$ 2,615,428	$ 2,222,159

* Included in Costs and Expenses, Depreciation: $376,823 in 1990 and $340,735 in 1989.

Assets

As of June 30	1990	1989
Cash	$ 131,514	$ 158,585
Short-term invest.	9,463,070	10,567,730
Accts. receiv., net	809,681	929,662
Income tax refund. receiv.	—	179,117
Other receivables	12,611	4,615
*Inventories	10,640,506	7,181,950
Prepaid expenses	269,335	283,632
Current Assets	$ 21,326,717	$ 19,305,291
Marketable securities	228,750	231,250
#Fixed assets	3,134,185	2,922,274
Total Assets	$ 24,689,652	$ 22,458,815

Liabilities

	1990	1989
Accts. payable	$ 628,375	$ 615,648
Accrued salaries	105,288	132,404
Accrued emp. insur. costs	54,043	28,958
Accrued payroll	146,230	137,203
Other accruals	8,687	15,902
Inc. taxes payable	492,183	—
Def. inc. taxes	132,491	170,004
Curr. Liabilities	$ 1,567,297	$ 1,100,119
Deferred inc. taxes	479,739	610,299
+Common stock	504,979	504,979
Add. paid-in capital	10,496,287	9,956,287
Retained earnings	20,843,620	19,110,268
Common stock subscribed	(7,821,274)	(8,379,936)
Treasury stock	(1,370,717)	(435,422)
Unreal. loss on equity secur.	(10,279)	(7,779)
Total Liabilities & Shareholders' Equity	$ 24,689,652	$ 22,458,815

* At FIFO cost
# Less accumulated depreciation and amortization
+ $0.33 1/3 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	27.81	24.93
% Net Income to Sales	17.47	15.60
% Net Income to Equity	11.55	10.71
Sales to Inventories	1.41	1.98
Working Capital	$ 19,759,420	$ 18,205,172
Current Ratio	13.61	17.55
Shareholders' Equity	$ 22,642,616	$ 20,748,397

Esterline Corporation

10800 NE 8th Street
Suite 600
Bellevue, Washington 98004
(206) 453-6001
FAX (206) 453-2916

Officers: Carroll M. Martenson, chairman; Wendell P. Hurlbut, president & chief executive officer; Robert W. Stevenson, exec. v.p. & chief financial officer; Robert W. Cremin, sr. v.p. & group executive; Lee Zuker, group vice president; N. Huntley Holland, v.p.-industrial relations; Harold S. Meden, v.p.-corp. development; Victor Thompson, v.p. & controller.

Directors: Carroll M. Martenson, chairman; Robert S. Ames, Lee L. Davenport, John F. Clearman, Robert F. Goldhammer, Edward H. Cooley, E. John Finn, Wendell P. Hurlbut, Donald Nigro.

Areas of Work: Company operates in three business segments: Automation Group, Aerospace/Defense Group, and Instrumentation Group. The Automation Group produces and markets automated production equipment for the printed circuit board manufacturing industry. The Aerospace/Defense Group provides a broad range of measuring and sensing devices and specialized metal finishing principally for commercial aircraft and jet engine manufacturers. The Instrumentation Group designs and manufactures a variety of sophisticated meters, gauges, control components, and measurement and analysis equipment for public utilities, industrial and airframe manufacturers.

Divisions and Subsidiaries:

Equipment Sales Company, Inc.
34 School Street, Ste. 209
Foxboro, Massachusetts 02035

Produces automated equipment for bareboard testing as well as shorts and opens testing of assembled printed circuit boards.

Hollis Automation, Inc.
15 Charron Avenue
Nashua, New Hampshire 03063

Automated systems for wave soldering and cleaning of printed circuit boards assemblies and related equipment.

Hollis Europe, Ltd.
Unit 1, Riverside
Sir Thomas Langley Road
Medway City Estate
Strood, Kent ME2 4DP, England

W.A. Whitney Corporation
650 Race Street
Rockford, Illinois 61105
(815) 964-6771

W.A. Whitney Italia, S.p.A.
Strada Del Francese 132/9
Torino 10156 Italy

Manufactures automated equipment for sheet metal, plate, and structural steel fabrication.

Excellon Automation
24015 Garnier Street
Torrance, California 90509
(213) 325-8000

Manufactures automated printed circuit board drilling and routing machinery and optical programming systems of such machinery.

Excellon International
Dominion Way
Rustington, Littlehampton, West Sussex BN16 3HQ,
England

Manufactures automated printed board production machinery; manual printed circuit board drilling and routing machinery.

Excellon Europa GmbH
Justus-von-Liebig-Str. 19
D-6057 Dietzenbach/BRD, Germany

Tulon, Inc.
15209 South Broadway
Gardena, California 90248
(213) 532-1040

Produces tungsten carbide printed circuit board drills and metal cutting tools.

Esterline Corporation

Federal Products Corporation
1144 Eddy Street
Providence, Rhode Island 02940
(401) 781-9300

Produces analog and digital dimensional measurement and inspection instruments for industrial quality control applications.

Federal Gauges, Ltd.
(50%-owned by Federal Products Corporation)
Brick Knoll Park, Ashley Road
St. Albans AL1 5PL
Herts, England

Esterline Angus Instrument Corporation
1201 Main Street
Indianapolis, Indiana 46224
(317) 244-7611

Manufactures analog and digital recording instruments, analytical process monitoring and control instrumentation.

Scientific Columbus, Inc.
1900 Arlingate Lane
Columbus, Ohio 43228
(614) 294-5671

Products include: Analog and digital electronic meters, transducers, and instruments for monitoring, billing, and controlling electric power.

Korry Electronics Co.

Auxitrol S.A.
1, Rue d'Anjou BP241
92603 Asnieres, France

Auxitrol Iberico S.A.
C/Caucho 18, Poligono Industrial
Apartado 30
28850 Torrejon de Ardoz (Madrid), Spain

Liquid level and pneumatic measuring and control devices; aviation and industrial thermo-couples; industrial alarms; electrical penetration devices for nuclear power plants.

Armtec Defense Products Co.
85-901 Avenue 53
P.O. Box 848
Coachella, California 92236

Hytek Finishes Co.
8127 South 216th Street
Kent, Washington 98032

Midcon Cables Co.
2500 Davis Blvd.
P.O. Box 1786
Joplin, Missouri 64801

Republic Electronics Co.
200 Wireless Blvd.
Hauppauge, New York 11788

TA Mfg. Inc.
375 West Arden Avenue
Glendale, California 91203

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: ESL

Number of Employees:

1990	3,868	1987	3,156
1989	4,445	1986	3,130
1988	3,020		

Plant Footage:

1990	1,796,000 sq. ft.	1988	1,137,000
1989	1,596,000	1987	1,181,400

Sales & Earnings

	Net Sales +	Net Income ‡
1990	$ 389,109,000	$ 7,058,000
1989	284,189,000	8,592,000
1988	284,418,000	8,384,000
1987	259,661,000	(29,306,000)
1986	235,940,000	922,000

	No. of Com. Shares #	Earn. per Share ‡ #
1990	6,501,000	$ 1.08
1989	8,296,000	1.03
1988	8,444,000	0.99
1987	8,444,000	—
1986	8,444,000	0.11

( ) Loss

+ Of continuing operations only.

‡ Including extraordinary gains of $723,000 ($0.09 per share) in 1989 and $1,242,000 ($0.15 per share) in 1988.

Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Automation	$ 152,117,000	$ 161,002,000
Aerospace/Defense	120,914,000	36,655,000
Instrumentation	116,078,000	86,532,000
Total	$ 389,109,000	$ 284,189,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	0.54	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 71,441,000	$ 10.99
1989	62,759,000	7.56
1988	81,629,000	9.67
1987	73,036,000	8.65
1986	101,073,000	11.97

Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Oct. 31	1990	1989
Net sales	$ 389,109	$ 284,189
Cost of sales	241,235	170,424
Expenses	118,618	96,557
Interest expense	17,350	3,505
Income before taxes	$ 11,906	$ 13,703
Income taxes	4,848	5,834
Net Income	$ 7,058	$ 7,869
Extraord. gain	—	723
Net Income & extraord. gain	$ 7,058	$ 8,592

* Included in Costs and Expenses, Depreciation and Amortization: $17,692,000 in 1990 and $8,842,000 in 1989.

Assets
(000's)

As of Oct. 31	1990	1989
Cash & cash equiv.	$ 1,106	$ 1,650
Accts. & notes receiv., net	65,210	59,685
*Inventories	63,885	77,852
Prepaid expenses	1,883	2,765
Current Assets	$ 132,084	$ 141,952
#Fixed assets	87,373	86,435
Exc. of cost over assets acq.	29,050	30,129
Intangibles	23,126	26,369
Other assets	18,034	19,277
Total Assets	$ 289,667	$ 304,162

Liabilities
(000's)

Notes payable	$ 40,480	$ 47,364
Long-term debt, curr.	11,250	14,729
Accts. payable	21,092	21,211
Accruals	41,255	46,235
Income taxes	1,850	1,680
Curr. Liabilities	$ 115,927	$ 131,219
Long-term debt	99,393	110,010
Def. inc. taxes	2,658	—
Other liabilities	248	174
+ Common stock	11,745	11,740
Retained earnings	60,614	53,556
Cumulative translation adjustments	(918)	(2,537)
Total Liabilities & Shareholders' Equity	$ 289,667	$ 304,162

* At lower of cost (primarily FIFO) or market.

Less accumulated depreciation.

+ $0.20 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.06	4.82
% Net Income to Sales	1.81	2.77
% Net Income to Equity	9.88	12.54
Sales to Inventories	6.09	3.61
Debt to Equity	2.12	2.74
Working Capital	$ 16,157,000	$ 11,747,000
Current Ratio	1.14	1.09
Shareholders' Equity	$ 71,441,000	$ 62,759,000

E-Systems, Inc.

6250 LBJ Freeway
P.O. Box 660248
Dallas, Texas 75266-0248
(214) 661-1000
FAX (214) 661-8508

Officers: E. Gene Keiffer, chairman of the board & chief executive officer; A. Lowell Lawson, president & chief operating officer; Terry W. Heil, sr. v.p.; James W. Crowley, v.p., secretary & general counsel; James W. Pope, v.p.-finance & chief financial officer; A. E. Hobbs, v.p.-corp. relations & administration; Eaton Adams, Jr., v.p.-strategic planning & development; Harry L. Thurmon, v.p.-new business development; Brian D. Cullen, v.p. & gen. mgr.-Greenville Division; Talbot S. Huff, Jr., v.p. & gen. mgr.-Melpar Division; Robert C. Kroeger, v.p.-quality & manufacturing; F. Eugene Stapp, v.p. & gen. mgr.-Garland Division; James J. Reilly, v.p.-financial operations.

Directors: E. Gene Keiffer, chairman; James A. Bitonti; E. F. Buehring; Charles A. Gabriel; Martin R. Hoffmann; LeVan Griffis; S. Lee Kling; Francine I. Neff; A. Lowell Lawson; David R. Tacke.

Areas of Work: Engaged in the development and production of command and control systems and equipment primarily for defense applications on a worldwide basis. Complete systems include clear and secure communication systems, large-scale data processing systems, software, data link terminals, displays, and related antennas. Produces and develops electronic warfare systems and electromagnetic support equipment; intelligence processing, which includes signal processing systems, computer systems, and modeling, and systems studies; intelligence collection, which includes signal collection systems and systems studies; tactical/security electronics which includes jamming and deception systems, electronic countermeasure systems, radar homing and warning systems, fuzing and timing devices, intrusion detection devices, and special-purpose devices. Engaged in the production of military communications systems and equipment, and guidance and navigation systems; also produces information handling and data-display systems, and flight control systems. Also engaged in aircraft overhaul, maintenance and modification.

Divisions and Subsidiaries:

Garland Division
P.O. Box 660023
Dallas, Texas 75266-0023
(214) 272-0515

Melpar Division
7700 Arlington Boulevard
Falls Church, Virginia 22046
(703) 560-5000

Montek Division
2268 South 3270 West
Salt Lake City, Utah 84119
(801) 973-4300

Greenville Division
P.O. Box 6056
Greenville, Texas 75403-6056
(214) 455-3450

Serv-Air, Inc.
P.O. Box 6669
Greenville, Texas 75403-6669
(214) 454-2000

ECI Division
P.O. Box 12248
1501 72nd Street No.
St. Petersburg, Florida 33733-2248
(813) 381-2000

Center for Advanced Planning and Analysis
10530 Rosehaven Street
Suite 200
Fairfax, Virginia 22030-2886
(703) 352-0300

Communications Manufacturing Division
P.O. Box 33010
St. Petersburg, Florida 33733
(813) 381-1155

Engineering Research Associates
1595 Springhill Road
Vienna, Virginia 22182-8005
(703) 734-8800

Acquisition:

HRB Systems, Inc.
300 Science Park Road
P.O. Box 60
State College, Pennsylvania 16804
(804) 238-4311

Designs and develops signal collection, processing and analysis systems, which complements and expands our solid position in the advanced intelligence and reconnaisance systems market.

Transfer Agent(s):

Ameritrust Texas N.A.
Stock Transfer Dept.
P.O. Box 2320
Dallas, Texas 75221-2320

Stock Exchange(s): New York, London

Ticker Symbol: ESY

Number of Employees:

1990	18,435	1987	15,506
1989	17,920	1986	14,932
1988	16,717		

Plant Footage:

1990	6,796,000 sq. ft.	1987	5,440,000
1989	6,231,000	1986	5,375,000
1988	5,630,000		

N.A.-Not Available

Sales & Earnings

	Net Sales *	Net Income
1990	$ 1,810,172,000	$ 85,620,000
1989	1,626,434,000	82,984,000
1988	1,439,012,000	74,570,000
1987	1,227,237,000	60,400,000
1986	1,135,072,000	61,553,000

	No. of Comm. Shares	Earn. per Share ‡
1990	31,204,931	$ 2.74
1989	31,042,969	2.65
1988	30,897,866	2.40
1987	30,822,822	1.95
1986	30,420,141	2.00

* Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1990	1989
Electronic warfare	$ 1,143,780	$ 1,027,961
Command, control & communications	326,660	329,857
Guidance, controls & navigation	89,772	98,924
Aircraft maintenance & modification	249,960	169,692
Total	$ 1,810,172	$ 1,626,434

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.75	—	—
1989	0.50	—	—
1988	0.50	—	—
1987	0.50	—	—
1986	0.50	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 625,960,000	$ 20.06
1989	561,126,000	18.08
1988	490,948,000	15.89
1987	429,511,000	13.93
1986	376,971,000	12.39

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,810,172	$ 1,626,434
Other income	4,105	6,515
Total income	$ 1,814,277	$ 1,632,949
Cost of sales	1,541,800	1,390,533
Expenses	125,365	113,641
Interest expense	10,515	10,226
Income before taxes	$ 136,597	$ 118,549
Income taxes	42,345	35,565
Inc. cont. oper.	$ 94,252	$ 82,984
Loss-discont. oper.	(8,632)	—
Net Income	$ 85,620	$ 82,984

* Included in Costs and Expenses, Depreciation and Amortization: $46,242,000 in 1990 and $38,467,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 21,710	$ 13,052
Accts. receiv., net	342,827	296,086
Unreimbursed costs & fees	140,001	131,748
Fixed-price contracts	47,181	78,339
Raw materials & purch. parts	10,200	8,062
Prepaid expenses	5,376	5,261
Current Assets	$ 567,295	$ 532,548
≠Fixed assets	268,664	234,745
Prepaid pension costs	40,906	40,792
Defer. charges & other assets	41,502	41,221
Costs in exc. of assets acq.	57,811	16,909
Total Assets	$ 976,178	$ 866,215

Liabilities
(000's)

	1990	1989
Short-term oblig. & long-term debt, curr.	$ 9,055	$ 18,889
Accts. payable	75,457	67,150
Accruals	90,939	72,859
Inc. taxes payable	485	3,724
Def. inc. taxes	6,051	—
Curr. Liabilities	$ 181,987	$ 162,622
Long-term debt	118,706	91,133
Deferred inc. taxes	31,031	34,736
Other deferred items	18,494	16,598
+Common stock	31,205	31,043
Add. paid-in capital	86,955	83,812
Retained earnings	507,800	446,271
Total Liabilities & Shareholders' Equity	$ 976,178	$ 866,215

≠ Less accumulated depreciation
+ $1 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	7.55	7.29
% Net Income to Sales	4.73	5.10
% Net Income to Equity	13.68	14.79
Debt to Equity	0.20	0.20
Working Capital	$ 385,308,000	$ 369,926,000
Current Ratio	3.12	3.27
Shareholders' Equity	$ 625,960,000	$ 561,126,000

Evans & Sutherland Computer Corporation

600 Komas Drive
P.O. Box 84158
Salt Lake City, Utah 84158
(801) 582-5847
FAX: (801) 583-9701

Officers: David C. Evans, chairman of the board; Rodney S. Rougelot, president & chief executive officer; Richard F. Leahy, v.p. & secretary-treasurer; Gary E. Meredith, v.p.-corp. development; Susan K. Mickelsen, v.p.-corporate relations; J. Robert Driggs, v.p. & chief financial officer; C. Grant Schultz, controller.

Directors: David C. Evans, chairman; Ivan E. Sutherland, Peter O. Crisp, Rodney S. Rougelot, Stewart Carrell, Henry N. Christiansen, James C. Fletcher.

Areas of Work: Designs, manufactures, markets and services special purpose digital computers and software systems used in various operations which are aided by or require visual presentation of a digital model stored in the computer memory. Applications include pilot training simulators, design engineering work stations, graphics art design workstations and scientific research.

Evans & Sutherland Computer Corporation

Subsidiaries:

Evans & Sutherland Ltd
Cambridge, England
Develops, markets and services computer software products for use in geometric mechanical modeling and consulting services related to computer aided design

Tripos Associates, Inc
St Louis, Missouri
Engaged in software development for molecular modeling

Transfer Agent(s):

Zions First National Bank, N A
One South Main Street
Salt Lake City, Utah 84111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ESCC (NASDAQ)

Number of Employees:

1990	1,415	1987	1,350
1989	1,418	1986	1,200
1988	1,225		

Plant Footage:

1990	473,500 sq ft	1987	319,000
1989	450,000	1986	312,000
1988	494,000		

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 157,551,000	$ 16,582,000
1989	118,564,000	1,004,000
1988	129,625,000	1,887,000
1987	134,415,000	14,745,000
1986	109,264,000	10,877,000

	No of Com Shares #	Earn per Share ‡ #
1990	9,019,241	$ 1.84
1989	8,683,541	0.12
1988	8,487,331	0.22
1987	8,557,742	1.72
1986	8,192,434	1.33

‡ Including extraordinary gains of $1,109,000 ($0.13 per share) in 1989 and $1,094,141 ($0.13 per share) in 1988
# Based on the weighted average number of common shares and common share equivalents outstanding fully diluted

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 122,045,000	$ 13.53
1989	101,020,000	11.63
1988	97,794,000	11.52
1987	94,621,000	11.06
1986	76,664,000	9.36

Based on the weighted average number of common shares and common share equivalents outstanding fully diluted

Income Account *

Year ended	12/28/90	12/29/89
Net sales	$ 157,551,000	$ 118,564,000
Cost of sales	70,579,000	64,958,000
Expenses	63,025,000	78,475,000
Interest income	(5,114,000)	(4,545,000)
Interest expense	4,046,000	3,563,000
Gain on sale of eq secur	(1,112,000)	(2,798,000)
Other expense (income)	(227,000)	178,000
Inc (loss) bef taxes	$ 26,354,000	$ (1,267,000)
Income taxes (credit)	9,772,000	(1,162,000)
Net Income (Loss)	$ 16,582,000	$ (105,000)
Extraord gain	—	1,109,000
Net Income (Loss) & extraord gain	$ 16,582,000	$ 1,004,000

* Included in Costs and Expenses, Depreciation and Amortization $7,985,000 in 1990 and $10,839,000 in 1989

Assets

As of	12/28/90	12/29/89
Cash & cash equiv	$ 5,445,000	$ 11,846,000
Temp cash invest	57,765,000	40,977,000
Receivables, net	35,221,000	42,145,000
*Inventories	24,758,000	15,677,000
Costs in exc of billings	25,151,000	24,517,000
Prepaid expenses	1,487,000	1,026,000
Current Assets	$ 149,827,000	$ 136,188,000
Investments	2,216,000	4,227,000
#Fixed assets	59,526,000	57,802,000
Other assets	2,216,000	2,395,000
Total Assets	$ 213,785,000	$ 200,612,000

Liabilities

Notes payable	$ 5,235,000	$ 8,058,000
Long-term debt, curr	136,000	150,000
Accts payable	5,795,000	7,001,000
Accruals	15,903,000	19,268,000
Cust deposits	9,163,000	11,535,000
Income taxes	6,014,000	1,835,000
Deferred income taxes	(5,804,000)	(2,745,000)
Curr Liabilities	$ 36,442,000	$ 45,102,000
Long-term debt	51,609,000	51,745,000
Deferred income taxes	3,689,000	2,745,000
+Common stock	1,768,000	1,712,000
Add paid-in capital	19,047,000	14,691,000
Retained earnings	100,596,000	84,014,000
For curr trans adjust	910,000	784,000
Treasury stock	(276,000)	(181,000)
Total Liabilities & Shareholders' Equity	$ 213,785,000	$ 200,612,000

* Raw materials and supplies at lower of weighted average cost or market Finished goods and work in progress stated at accum mfg costs, not in excess of market
# Less accumulated depreciation and amortization
+ $0.20 par value

Statistical Summary

% Income bef Taxes to Sales	16.73	—
% Net Income to Sales	10.52	
% Net Income to Equity	13.59	
Sales to Inventories	6.36	8.84
Debt to Equity	0.47	0.59
Working Capital	$ 113,385,000	$ 91,086,000
Current Ratio	4.11	3.02
Shareholders' Equity	$ 122,045,000	$ 101,020,000

Extek Microsystems, Inc.

203 W Artesia Blvd
Compton, California 90220-5550
(213) 605-0755
FAX (213) 608-1556

NOTE The Company was liquidated and the assets sold to Houston Fearless 76, Inc , as of June 19, 1990

Officers: Donald J Farmer, president & treasurer; James R Modrall, v p -engineering & operations; Bernard Shearer, secretary; Denise M Gilmore, asst secretary

Directors: Donald J Farmer, Bernard Shearer, Robert H Webster

Areas of Work: Designs, manufactures, and sells microfilm duplication products, and distributes microfilm equipment and film

Transfer Agent(s):

City National Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Number of Employees

1990	17	1987	31
1989	28	1986	33
1988	32		

Plant Footage

1990	N A	1987	25,000
1989	25,000 sq ft	1986	25,000
1988	25,000		

N A -Not Available

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 2,723,661	$ (164,631)
1989	3,278,294	3,812
1988	3,965,810	182,588
1987	3,922,816	(150,189)
1986	4,100,297	187,237

	No of Com Shares	Earn per Share ‡ +
1990	149,260	$ —
1989	149,260	0.02
1988	149,260	0.87
1987	149,260	—
1986	149,260	0.90

(Loss)
‡ Including extraordinary gain of $43,000 ($0.20 per share) in 1988
+ Based on the weighted average number of shares outstanding

Common Stock Equity

	Total Equity ‡	Equity Per Share
1990	$ 1,385,725	$ 9.28
1989	1,552,756	10.40
1988	1,551,344	10.39
1987	1,371,156	9.19
1986	1,523,745	10.21

‡ After allowing for preferred stock at par value of $100 per share

Income Account *

Year ended June 30	1990	1989
Net sales	$ 2,723,661	$ 3,278,294
Other income	37,489	35,928
Total income	$ 2,761,150	$ 3,314,222
Cost of sales	1,619,860	1,972,358
Sell, gen & adm exp	931,874	872,270
Research & develop	335,384	423,614
Interest expense	37,463	41,518
Inc (loss) bef taxes	$ (163,431)	$ 4,462
Income taxes	1,200	650
Net Income (Loss)	$ (164,631)	$ 3,812

* Included in Costs and Expenses, Depreciation and Amortization $61,473 in 1990 and $76,426 in 1989

Assets

As of June 30		1990		1989
Cash&,cash equiv	$	319,986	$	29,849
Invest in cert. of deposit		275,000		—
Funds held in escrow acct		150,000		—
Receiv., net		936,823		651,921
* Inventories		—		1,183,707
Prepaid expenses & other assets		11,837		39,032
Refund inc. taxes		—		13,775
Current Assets	$	1,693,646	$	1,918,284
≠ Fixed assets		—		172,522
Other assets				39,698
Total Assets	$	1,693,646	$	2,130,504

Liabilities

Notes payable	$	—	$	275,000
Accts. payable & accruals		234,966		124,090
Accrued payroll		—		67,863
Income taxes		38,955		42,073
Long-term debt. curr		—		34,722
Curr. Liabilities	$	273,921	$	543,748
+ Preferred stock		34,000		34,000
++ Common stock		10,101		10,101
Add. paid-in capital		3,054,149		3,054,149
Deficit		(1,551,365)		(1,384,334)
Treasury stock		(127,160)		(127,160)
Total Liabilities & Shareholders' Equity	$	1,693,646	$	2,130,504

* At lower of cost (FIFO) or market

≠ Less accumulated depreciation and amortization

+ $100 par value, 8% cumulative convertible

++ $0.05 par value

Statistical Summary

% Income bef. Taxes to Sales		—		0.14
% Net Income to Sales		—		0.12
% Net Income to Equity		—		0.24
Sales to Inventories		—		2.77
Debt to Equity		—		0.20
Working Capital	$	1,419,725	$	1,374,536
Current Ratio		6.18		3.53
Shareholders' Equity	$	1,419,725	$	1,586,756

Fairchild Industries, Inc.

(On Aug. 18, 1989, the company was acquired by Banner Industries, Inc.)

Washington Dulles International Airport
300 West Service Rd., P.O. Box 10803
Chantilly, Virginia 22021
(703) 478-5800
FAX: (703) 478-5913

Officers: Emanuel Fthenakis, chairman of the board & chief executive officer; Peter A. Marino, president; John D. Jackson, sr. v.p. & secretary; John L. Flynn, v.p. & tax counsel; Harold R. Johnson, v.p.-business development; Jerry R. Lirette, v.p. & president-D-M-E Company; Michael T. Alcox, v.p. & asst. secretary; Dominic A. Petito, v.p. & asst. secretary; Donald S. Parker, v.p. & general counsel; Christopher Colavito, controller; Karen L. Schneckenburger, treasurer; Michael Vantusko, v.p. & asst. secretary

Directors: Emanuel Fthenakis*, chairman; Michael T. Alcox, Mortimer M. Caplin*, John P. Calhoun, Thomas H. Moorer*, Dominic A. Petito, Robert V. Hansberger, Jeffrey J. Steiner, Natalia Steiner, R. James Woolsey*, Leonard Toboroff, E. Garrett Bewkes, Jr., Robert L. May, James C. Fletcher, Peter A. Marino

* Member of the Executive Committee

Areas of Work: Aerospace & specialty fasteners products include aerospace pins and collars, lock bolts, blind bolts, blind rivets, nuts, special bolts and recessed fasteners and specialty fasteners. Industrial products include plastics injection molding tooling and electronic control systems, industrial controls and telecommunications equipment, primarily modems; also provides communications services.

Divisions and Subsidiaries:

Tridair Fasteners
3000 W. Lomita Blvd.
Torrance, California 90505
(213) 530-2220
Specialty fasteners.

Rosan Products
3130 West Harvard Street
Santa Ana, California 92704
(714) 641-8800

Camloc Products
601 Route 46 West
Hasbrouck Heights, New Jersey 07604
(201) 288-8300

Rexnord Aerospace Mechanisms
2530 Skypark Drive
Torrance, California 90505

Fairchild Communications Services Co.
Washington Dulles International Airport
P.O. Box 10804
300 West Service Road
Chantilly, Virginia 22021
(703) 478-5980
Telecommunications systems.

Harco
P.O. Box 767
557 South Douglas Street
El Segundo, California 90245
(213) 643-9400
Aerospace locknuts.

Fairchild Data Corporation
350 North Hayden Road
Scottsdale, Arizona 85257
(602) 949-1155
Satellite modems and other telecommunications equipment.

D-M-E Company
29111 Stephenson Highway
Madison Heights, Michigan 48071
(313) 398-6000
Standard mold bases and components for plastics and die casting industry.

Screwcorp
13001 East Temple Avenue
City of Industry, California 91746
(818) 369-3333
Aerospace fasteners.

Voi-Shan
8463 Higuera Street
Culver City, California 90232
(213) 202-8200
Aerospace fasteners.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: FEN

Number of Employees:

1989	2,800	1986	11,230
1988	4,989	1985	12,380
1987	4,877		

N.A. — Not Available

Sales & Earnings

		Net Sales +		Net Income †
1989*	$	157,997,000	$	(11,113,000)
1988		308,252,000		26,973,000
1987		297,647,000		23,071,000
1986		267,884,000		(9,962,000)
1985		227,059,000		(167,095,000)

	No. of Com Shares		Earn. per Share † ≠
1989*	14,603,994	$	—
1988	14,377,900		1.37
1987	14,126,371		0.84
1986	14,300,338		—
1985	13,716,740		—

(Loss)

* 6 months

+ Of continuing operations only

† Including extraordinary gains of $8,906,000 ($0.62 per share) in 1988 and $13,199,000 ($0.92 per share) in 1987.

≠ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

		1989		1988
Aerospace fasteners	$	82,998	$	174,382
Industrial prods		65,556		120,383
Communications services		9,443		13,487
Total	$	157,997	$	308,252

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.10	—	—
1988	0.20	—	—
1987	0.20	—	—
1986	0.20	—	—
1985	0.35	—	—

Common Stock Equity

		Total Equity		Equity Per Share
1989	$	43,412,000	$	2.97
1988		68,976,000 ‡		4.80
1987		46,622,000 ‡		3.30
1986		28,873,000		2.02
1985		45,396,000		3.16

‡ After allowing for preferred stock at liquidation value

Income Account *
(000's)

Year ended		6/30/89 (6 months)		12/31/88
Net sales	$	157,997	$	308,252
Other income		1,916		3,660
Interest income		2,330		9,667
Total income	$	162,243	$	321,579
Cost of sales		118,804		229,074
Expenses		36,956		59,235
Interest expense		9,658		19,723
Restruc. costs		20,415		1,839
Inc. (loss) bef. taxes	$	(23,590)	$	11,708
Income taxes (credit)		(9,019)		5,281
Inc. (loss)-cont. oper	$	(14,571)	$	6,427
Inc.-discont. oper		3,458		11,640
Net Income (Loss)	$	(11,113)	$	18,067
Extraord. gain		—		8,906
Net Income (Loss) & extraord. gain	$	(11,113)	$	26,973

* Included in Costs and Expenses, Depreciation and Amortization: $5,140,000 in 1989 and $10,513,000 in 1988.

Fairchild Industries, Inc.

Assets
(000's)

As of	6/30/89	12/31/88
Cash	$ 29,699	$ 69,633
Accts. receiv., net	45,265	45,376
Other receivables	11,450	10,540
• Inventories	76,459	71,386
Prepaid expenses	1,568	1,881
Current Assets	$ 164,441	$ 198,816
# Fixed assets	63,069	64,120
Cost in exc. of assets acq	49,950	50,750
Other assets	10,697	16,411
Net assets-discont. oper	66,436	72,380
Total Assets	$ 354,593	$ 402,477

Liabilities
(000's)

Bank notes & long-term debt, curr	$ 23,931	$ 23,906
Accts. payable	39,166	28,669
Accruals	57,796	34,746
Income taxes	2,927	3,656
Curr. Liabilities	$ 123,820	$ 90,977
Long-term debt	42,200	46,700
Other debt	8,631	33,911
Other liabilities	67,489	77,149
+ Redeemable pref. stock	67,041	74,504
++ Preferred stock	—	10,260
+++ Common stock	146	144
Add. paid-in capital	69,889	78,628
Retained earnings (deficit)	(26,852)	(11,444)
Cum. transl. adjust	229	1,716
Treasury stock	—	(68)
Total Liabilities & Shareholders' Equity	$ 354,593	$ 402,477

• Lower of cost (LIFO) or market
Less accumulated depreciation and amortization.
+ No par value; $3.60 cumulative
++ No par value, convertible
+++ $0.01 par value

Statistical Summary

% Net Income to Equity	—	34.04
Sales to Inventories	2.07	4.32
Debt to Equity	1.77	1.32
Working Capital	$ 40,621,000	$ 107,839,000
Current Ratio	1.33	2.19
Shareholders' Equity	$ 43,412,000	$ 79,236,000

Fansteel Inc.

Number One Tantalum Place
North Chicago, Illinois 60064
(708) 689-4900
FAX: (708) 689-030

Officers: K. R. Garrity, chairman of the board & chief exec. officer; C. V. Emory, president & chief operating officer; C. D. Dannible, exec. v.p.-management planning & procurement; W. C. Herchenrider, exec. v.p.-marketing & sales; J. B. Lambert, v.p. & corp. tech. director; R. W. McGinnis, v.p. & gen. mgr.-Custom Technologies Group; S. M. Jacobsen, v.p. & chief financial officer; M. J. Mocniak, v.p., general counsel & secretary; R. M. McEntee, treasurer & asst. secretary

Directors: Thomas M. Evans, Keith R. Garrity, C. J. Queenan, Jr., B. B. Evans, C. V. Emory, J. S. Petrik, T. M. Evans, Jr., C. D. Dannible

Areas of Work: A specialty metals manufacturer of fabricated aircraft/aerospace and weapons systems components, forgings, sand mold and investment castings, cutting and milling tools, tool holding devices, coal mining tools and accessories, wear parts and special wire forms.

Divisions:

Custom Technologies
Highway #34 East
Creston, Iowa 50801

Manufactures high integrity products with particular expertise in large aluminum and magnesium sand castings used in helicopters, gas turbine engines and missile systems; manufactures investment castings and wire forms.

Escast
21 N. Church Street
Addison, Illinois 60101

Escast, Automated Equipment
2080 Limbus Avenue
Sarasota, Florida 34243

Washington Manufacturing
800 East 7th Street
P.O. Box 486
Washington, Iowa 52353

Wellman Dynamics
U.S. Route 34
P.O. Box 147
Creston, Iowa 50801

VR/Wesson
Plantsville
389 Marion Avenue
Plantsville, Connecticut 06479

Manufactures cutting and milling tools, tool holding devices, coal mining tools and accessories and wear parts.

Lexington
Lisle Road
P.O. Box 11399
Lexington, Kentucky 40575

Hydro Carbide
P.O. Box 363
Latrobe, Pennsylvania 15650

Hydro Carbide
P.O. Box 2368
Gulfport, Mississippi 39503

VR/Wesson Industrial Supply
500 Industrial Drive
Beckley, West Virginia 25801

Aerospace

Products and services include special material structures and fabrications primarily for aerospace/aircraft, and forgings.

California Drop Forge
1033 Alhambra Avenue
Los Angeles, California 90012
(213) 221-1134

Precision Sheet Metal
5235 W. 104th Street
Los Angeles, California 90045
(213) 670-1030

International

Interturbine Fansteel B.V.
Industrieterrein Spikwelen
Spiktweg 13-5943 AC Lomm
The Netherlands

Transfer Agent(s):

Mellon Bank N.A.

Stock Exchange(s): New York

Ticker Symbol: FNI

Number of Employees:

1990	1,565	1987	2,012
1989	1,945	1986	2,145
1988	2,018		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 168,808,492	$ 6,882,461
1989	168,590,274	6,852,901
1988	168,491,967	2,151,849
1987	144,409,287	(2,953,988)
1986	165,252,000	2,773,855

	No. of Com. Shares †	Earn. per Share †
1990	8,598,858	$ 0.80
1989	8,598,858	0.80
1988	8,598,858	0.25
1987	8,598,858	—
1986	8,598,858	0.32

(Loss)
+ Of continuing operations only.
† Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Industrial tools	$ 50,859,612	$ 49,382,628
Metal fabrications	117,948,880	119,207,646
Total	$ 168,808,492	$ 168,590,274

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.75	—	—
1989	0.60	—	—
1988	0.60	—	—
1987	0.60	—	—
1986	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 69,339,624	$ 8.06
1989	68,906,307	8.01
1988	68,229,584	7.93
1987	71,057,152	8.26
1986	78,876,378	9.17

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 168,808,492	$ 168,590,274
Cost of sales	141,136,135	140,736,513
Expenses	18,352,277	18,730,560
Restruc. costs	—	1,302,754
Interest income	(1,490,072)	(887,876)
Interest expense	157,110	2,438,946
Other income	(529,419)	(77,508)
Income bef. taxes	$ 11,182,461	$ 6,346,885
Income taxes	4,300,000	2,215,000
Inc.-cont. oper	$ 6,882,461	$ 4,131,885
Inc.-discont. oper	—	2,721,016
Net Income	$ 6,882,461	$ 6,852,901

* Included in Costs and Expenses, Depreciation $4,405,682 in 1990 and $7,106,743 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv	$ 21,679,129	$ 19,923,090
Accts. receiv., net	22,837,221	29,099,119
*Inventories	22,943,059	26,657,058
Prepaid expenses	3,516,125	5,060,485
Current Assets	$ 70,975,534	$ 80,739,752

Net assets-discont. oper	2,828,562	3,261,754
# Fixed assets	17,740,088	21,104,515
Other assets	2,975,383	2,858,936
Total Assets	$ 94,519,567	$ 107,964,957

Liabilities

Long-term debt, curr	$ 653,338	$ 653,338
Accts. payable	9,377,353	11,154,025
Accruals	12,312,605	14,554,361
Income taxes	257,877	5,804,932
Dividends payable	—	859,886
Curr. Liabilities	$ 22,601,173	$ 33,026,542
Long-term debt	778,770	1,432,108
Other liabilities	1,800,000	4,600,000
+ Common stock	21,497,145	21,497,145
Retained earnings	47,842,479	47,409,162
Total Liabilities & Shareholders' Equity	$ 94,519,567	$ 107,964,957

* At lower of cost (LIFO) or market
# Less accumulated depreciation
+ $2.50 par value

Statistical Summary

% Income bef. Taxes to Sales	6.62	—
% Net Income to Sales	4.08	—
% Net Income to Equity	9.93	9.95
% Sales to Inventories	7.36	6.32
Debt to Equity	0.02	0.03
Working Capital	$ 48,374,361	$ 47,713,210
Current Ratio	3.14	2.44
Shareholders' Equity	$ 69,339,624	$ 68,906,307

Federal Signal Corporation

1415 West 22nd Street
Oak Brook, Illinois 60521-9945
(708) 954-2000
FAX: (708) 954-2030

Officers: Joseph J. Ross, chairman, president & chief exec. officer; Charles R. Campbell, sr. v.p. & chief financial and administrative officer; Kim A. Wehrenberg, v.p., general counsel & secretary; Robert W. Racic, v.p. & treasurer; Richard L. Ritz, v.p. & controller; Stephen C. Buck, v.p.-corp. development; Lana J. Eckhardt, deputy general counsel & assistant secretary.

Directors: J. Patrick Lannan, Jr., James A. Lovell, Jr., Thomas N. McGowen, Jr., Joseph J. Ross, Walter R. Peirson.

Areas of Work: Company operations are divided into four major groups: Signal, Sign, Tool, and Vehicle. Principal products include sirens, emergency lights, fire alarm systems, security and parking control systems, signs, fire trucks, street sweepers, special vehicle chassis, precision punches and cutting tools.

Divisions and Subsidiaries:

Signal Group

Signal Products
2645 Federal Signal Drive
University Park, Illinois 60466
(708) 534-3400
Warning, signaling and communications products for municipalities and industry.

Autocall, Inc.
41 East Tucker Avenue
Shelby, Ohio 44875
(419) 347-2400
Fire alarm and evacuation systems.

Federal APD Inc.
24700 Crestview Court
Farmington Hills, Michigan 48331
(313) 477-2700
Parking and access control systems.

Sign Group

Burr Ridge, Illinois
Arlington, Texas
Oceanside, California
Oak Brook, Illinois
Burr Ridge, Illinois
Daytona Beach, Florida

Tool Group

Dayton Progress Corporation
500 Progress Road
Dayton, Ohio 45449
(513) 859-5111
Precision punches and die components.

Manchester Tool Company
5142 Manchester Road
Akron, Ohio 44319
(216) 644-8853
Deep grooving tools.

Bassett Rotary Tool Company
710 West Fisher Street
Monticello, Indiana 47960
(219) 583-7166
Carbide cutting tools.

Jamestown Perforators Inc.
1914 Washington Street
Jamestown, New York 14701
(716) 664-7575
Metal punches, dies, and small tooling components.

Dayton Progress Canada, Ltd.
Weston, Ontario

Dayton Progress, Ltd.
Kent, England

Nippon Dayton Progress K.K.
Tokyo, Japan

Allied Tool Products
Milwaukee, Wisconsin

Manchester Tools, Ltd.
Abbeyleix, Ireland

Vehicle Group

Emergency One, Inc.
1701 S.W. 37th Avenue
Ocala, Florida 32678
(904) 237-1122
Aluminum-bodied fire trucks and rescue vehicles.

Federal Motors, Inc.
3611 S.W. 20th Street
Ocala, Florida 32678
(904) 237-6215
Custom chassis and special vehicles.

Elgin Sweeper Company
1300 West Bartlett Road
Elgin, Illinois 60121
(708) 741-5370
Street sanitation equipment including sweepers and vacuums.

American Eagle Fire Apparatus Company, Inc.
A manufacturer of custom fire trucks.

Electro Diecraft
A Canadian tool manufacturer.

Sign Systems, Inc.
A custom sign manufacturer.

Transfer Agent(s):

Harris Trust and Savings Bank
Shareholder Services Division
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: FSS

Number of Employees:

1990	4,158	1987	3,842
1989	4,318	1986	3,388
1988	4,067		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 439,426,000	$ 30,476,000
1989	398,420,000	23,014,000
1988	361,401,000	18,551,000
1987	305,800,000	14,877,000
1986	273,300,000	11,802,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	23,019,000	$ 1.32
1989	23,051,000	1.00
1988	22,820,000	0.81
1987	23,569,000	0.63
1986	23,384,000	0.51

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Revenues By Line of Business

	1990	1989
Signal	$ 79,696,000	$ 74,377,000
Vehicle	200,853,000	162,371,000
Sign	71,313,000	76,945,000
Tool	87,564,000	84,727,000
Total	$ 439,426,000	$ 398,420,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.44	—	3-for-2
1989	0.37	—	3-for-2
1988	0.32	10%	—
1987	0.29	10%	—
1986	0.29	—	—

+ Adjusted to reflect stock dividends and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 146,434,000	$ 6.36
1989	130,439,000	5.66
1988	115,498,000	5.06
1987	103,239,000	4.38
1986	102,362,000	4.38

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 439,426	$ 398,420
Cost of sales	293,177	264,047
Expenses	98,467	92,123
Interest expense	5,511	7,273
Other expense (income)	(463)	390
Income before taxes	$ 42,534	$ 34,587
Income taxes	14,446	12,487
Inc.-cont. oper	$ 28,088	$ 22,100
Inc.-discont. oper	2,388	914
Net Income	$ 30,476	$ 23,014

* Included in Costs and Expenses, Depreciation: $7,777,000 in 1990 and $7,877,000 in 1989.

Federal Signal Corporation

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 1,512	$ 2,503
Accts. receiv., net	65,288	65,896
*Inventories	55,524	51,938
Prepaid expenses	2,732	2,855
Current Assets	$ 125,056	$ 123,192
#Fixed assets	54,574	53,382
Goodwill	29,498	22,854
Deferred charges & other assets	6,906	4,198
Financial serv. activities	79,801	67,689
Total Assets	$ 295,835	$ 271,315

Liabilities
(000's)

	1990	1989
Short-term borrowings	$ 1,173	$ 1,212
Accts. payable	23,295	14,227
Accrued compensation	18,162	17,174
Other accruals	30,542	21,318
Income taxes	9,211	5,484
Curr. Liabilities	$ 82,383	$ 59,415
Long-term debt	1,959	13,433
Deferred inc. taxes	10,397	9,459
Financial serv. activities	54,662	58,569
+Common stock	23,200	15,315
Add. paid-in capital	87,500	93,339
Retained earnings	43,311	22,869
Treasury stock	(7,274)	(386)
Deferred stock awards	(1,199)	(1,174)
For. curr. trans. adjust.	896	476
Total Liabilities & Shareholders' Equity	$ 295,835	$ 271,315

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1990	1989
% Net Income to Equity	20.81	17.64
Sales to Inventories	7.91	7.67
Debt to Equity	0.02	0.11
Working Capital	$ 42,673,000	$ 59,503,000
Current Ratio	1.52	2.00
Shareholders' Equity	$ 146,434,000	$ 130,439,000

Federated Purchaser, Inc.

50 Lafayette Place
Kenilworth, New Jersey 07033
(908) 272-0505
FAX: (908) 272-1336

1425 East Woodlawn Street
Allentown, Pennsylvania 18103
(215) 437-4481

Officers: Arthur C. Kammerman, chairman; Harry J. Fallon, president; Steven J. Jordan, v.p. sales & marketing; Jane A. Christy, v.p.-operations; Marie Santasiri, secretary; William Hall, treasurer & controller.

Directors: Arthur C. Kammerman, chairman; Edmund L. Hoener, Harry J. Fallon, Jane A. Christy, Steven J. Jordan, Warren K. Schoonmaker, Edwin S. Shortess.

Areas of Work: Engaged in the marketing of electronic parts, components and equipment to industrial customers. These products include a broad range of products, including semiconductors, wire, transformers, relay systems, capacitors and electronic tubes.

Subsidiary:

Freedom Electronics Corporation
Atlantic Highlands, New Jersey
Engaged in the wholesale distribution of electronic components and also performs contract manufacturing for industrial customers.

Transfer Agent(s):

The National State Bank
Elizabeth, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FFDP (NASDAQ)

Number of Employees:

1990	25	1988	28
1989	26		

Sales & Earnings

	Net Sales	Net Income
1990	$ 8,217,679	$ 22,510
1989	7,994,506	248,252
1988	6,512,198	123,293
1987	5,625,766	(28,087)
1986	5,864,255	110,963

	No. of Com. Shares +	Earn. per Share +
1990	1,705,285	$ 0.01
1989	1,670,312	0.15
1988	1,632,389	0.08
1987	1,629,535	—
1986	1,720,385	0.06

(Loss)
+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.04	—	—
1989	0.03	—	—
1988	—	—	—
1987	0.03	—	—
1986	0.06	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 2,578,078	$ 1.51
1989	2,629,163	1.54
1988	2,331,207	1.43
1987	2,199,943	1.35
1986	2,330,901	1.37

Income Account

Year ended Oct. 31	1990	1989
Revenues		
Sales	$ 8,175,645	$ 7,947,577
Warehouse serv.	42,034	46,929
Total revenues	$ 8,217,679	$ 7,994,506
Cost of sales	6,179,931	5,868,649
Expenses	1,947,199	1,721,357
Depreciation & amortization	100,272	78,620
Interest income	(32,073)	(86,453)
Other income	(7,215)	(3,466)
Income bef. taxes	$ 29,565	$ 415,799
Income taxes	7,055	167,547
Net Income	$ 22,510	$ 248,252

Assets

As of Oct. 31	1990	1989
Cash	$ 415,228	$ 352,286
Cert. of deposit	—	648,133
Cert. of deposit - restricted	100,000	—
Accts. receiv., net	1,362,238	1,240,278
*Inventories	1,258,085	1,202,868
Prepaid expenses	56,758	42,496
Current Assets	$ 3,192,309	$ 3,486,061
#Fixed assets	164,046	253,624
Other assets	130,421	128,292
Total Assets	$ 3,486,776	$ 3,867,977

Liabilities

	1990	1989
Cap. lease oblig., curr.	$ —	$ 2,001
Notes payable	89,175	92,755
Accts. payable	520,013	589,929
Accruals	108,756	282,983
Curr. Liabilities	$ 717,944	$ 967,668
Notes payable	185,781	267,525
Deferred income taxes	4,973	3,621
+Common stock	171,976	171,976
Add. paid-in capital	1,692,342	1,692,342
Retained earnings	729,903	775,910
Treasury stock	(16,143)	(11,065)
Total Liabilities & Shareholders' Equity	$ 3,486,776	$ 3,867,977

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	0.36	5.23
% Net Income to Sales	0.28	3.12
% Net Income to Equity	0.87	9.44
Sales to Inventories	6.50	6.61
Debt to Equity	0.11	0.14
Working Capital	$ 2,474,365	$ 2,518,393
Current Ratio	4.45	3.60
Shareholders' Equity	$ 2,578,078	$ 2,629,163

Fifth Dimension Inc.

801 New York Avenue
Trenton, New Jersey 08638-3982
(609) 393-8350
FAX: (609) 599-9508

Officers: Sheldon Bitko, president; Alfred R. Senni, chief exec. officer & exec. v.p.; Elaine H. Cain, v.p., administration & secretary-treasurer.

Directors: Charles Wohlstetter, Charles Davidoff, Frederick C. Scherer, Lee R. Marks, Sheldon Bitko, Alfred R. Senni, Frederick J. Grunwald, Robert Ratonyi.

Areas of Work: The Company's business falls into two broad groups: manufacture of telemetry equipment and industrial components. The principal products of the telemetry group include slip rings and commutators. The primary markets for this type of equipment are the defense and the aerospace industries; secondary markets are the Atomic Energy Commission and other private industries. The principal products of the components group include a family of mercury film switches and relays (sold under the name LOGCELL, or more specifically LC1 and LC2), sold mostly to industrial users. Other components include tilt switches for military, commercial and industrial applications. Glass-metal seals are hermetic seals which allow electric signals into a chamber without allowing in the outside atmosphere or any contamination. These seals are used in transitors, tubes, relays and a myriad of other components.

Transfer Agents(s):

American Stock Transfer & Trust Company
40 Wall Street, 46th Floor
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FIVD (NASDAQ)

Number of Employees:

1990	70	1987	60
1989	68	1986	59
1988	65		

Plant Footage:

1990	18,000 sq. ft.	1987	18,000
1989	18,000	1986	18,000
1988	18,000		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 3,607,350	$ 245,864
1989	3,608,162	268,483
1988	3,398,120	289,503
1987	2,781,565	178,837
1986	2,996,353	194,007

	No. of Com. Shares ‡	Earn per Share ‡
1990	729,122	$ 0.34
1989	729,122	0.37
1988	729,122	0.40
1987	729,122	0.25
1986	729,122	0.27

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 1,996,680	$ 2.74
1989	1,750,816	2.40
1988	1,482,333	2.03
1987	1,192,830	1.64
1986	1,013,993	1.39

† Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 3,607,350	$ 3,608,162
Cost of sales	2,455,505	2,446,328
Expenses	759,484	733,605
Interest expense	13,546	21,645
Other income	(10,196)	(20,256)
Income before taxes	$ 389,011	$ 426,840
Income taxes	143,147	158,357
Net Income	$ 245,864	$ 268,483

* Included in Costs and Expenses, Depreciation: $86,186 in 1990 and $89,275 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 342,999	$ 268,642
Accts. receiv., net	907,607	1,022,207
*Inventories	770,819	610,817
Prepaid expenses	33,674	52,909
Current Assets	$ 2,055,099	$ 1,954,575
≠Fixed assets	636,447	626,693
Total Assets	$ 2,691,546	$ 2,581,268

Liabilities

Long-term debt, curr.	$ 43,661	$ 49,917
Accts. payable	237,253	248,916
Accrued compensation	175,704	160,000
Other accruals	23,607	59,505
Income taxes payable	86,031	127,884
Curr. Liabilities	$ 566,256	$ 646,222
Long-term debt	82,060	125,721
Deferred income taxes	46,550	58,509
+Common stock	364,936	364,936
Add. paid-in capital	403,663	403,663
Retained earnings	1,228,409	982,545
Treasury stock	(328)	(328)
Total Liabilities & Shareholders' Equity	$ 2,691,546	$ 2,581,268

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	10.78	11.83
% Net Income to Sales	6.82	7.44
% Net Income to Equity	12.31	15.33
Sales to Inventories	4.68	5.91
Debt to Equity	0.06	0.10
Working Capital	$ 1,488,843	$ 1,308,353
Current Ratio	3.63	3.02
Shareholders' Equity	$ 1,996,680	$ 1,750,816

Figgie International Inc.

4420 Sherwin Road
Willoughby, Ohio 44094
(216) 953-2700
FAX: (216) 951-1724

Officers: Harry E. Figgie, Jr., chairman of the board and chief executive officer; Harry E. Figgie, III, vice chairman-technology & strategic planning; Vincent A. Chiarucci, president; James S. Anderson, sr. v.p.-human resources; Charles B. Miner, group v.p.; Mike Trbovich, group v.p.; Joseph J. Skadra, sr. v.p.-finance & controller; Dean E. Steel, v.p.-government affairs; Larry G. Schwartz, v.p.-manufacturing; L. A. Harthun, sr. v.p.-international, general counsel & secretary; Charles C. Rieger, Jr., group v.p.; Mary C. Cleary, v.p. & asst. to chairman; Richard A. Foster, v.p.

Directors: Harry E. Figgie, Jr., chairman; Vincent A. Chiarucci, Dale S. Coenen, Ewing T. Boles, Alfred V. Gangnes, Walter M. Vannoy, Robert A. Weaver, Jr., Gerald K. Rugger, Russel W. McFall, Harrison Nesbit, II, Harold B. Scott, Harry E. Figgie, III, John S. Lanahan, F. Rush McKnight, C. B. Robertson, III, A. A. Sommer, Jr.

Areas of Work: Figgie International operations are represented in the following groups: Technical, Fire Protection & Safety, Automation Services, Consumer, Machinery and Allied Products, & Safety Products Distribution.

Divisions and Subsidiaries:

Hartman Electrical Manufacturing
175 North Diamond Street
Mansfield, Ohio 44902
(419) 524-1411

Electrical power switching and solid state controls. Contractors, relays and protective devices.

Interstate Electronics Corporation
1001 East Ball Road
Anaheim, California 92803
(714) 758-0500

Voice data entry computer terminals. Plasma display terminals. Military command and control display systems. Signal processing systems. Off shore oil platform data systems. Environmental surveys and services. Instrumentation and missile tracking systems.

Figgie Consumer Products Licensing Division
Glen Allen, Virginia 23060
(804) 264-5660

Worldwide trademark licensing of consumer products, principally Fred Perry and Rawlings Sportswear, activewear and hard goods.

Closetech International
West Chicago, Illinois 60185
(708) 293-0330

Rawlings Sporting Goods
2300 Delmar Boulevard
St. Louis, Missouri 63126
(314) 349-3500

Full line of sports equipment for baseball, football, basketball, soccer, boxing, badminton, golf, hockey, tennis and wrestling. Uniforms, jackets and shoes.

Fred Perry Sportswear (U.K.) Ltd.
Bridport Road
London N18 1SN, England

Designer, manufacturer and worldwide marketer of high fashion tennis clothing and sports apparel.

Interstate Engineering
522 East Vermont Avenue
Anaheim, California 92805
(714) 778-5700

Residential smoke detectors and fire alarms. Compact home vacuum cleaners. Wireless IEC Security System. Aluminium and zinc die castings.

Thermometer Corporation of America
Fletcher, North Carolina 28732
(704) 684-5178

Thermometers, hydrometers, humidity and weather instruments. Tru-Temp and Taylor thermometers and cooking instruments.

Sherwood-Drolet Corp., Ltd.
2745 Sherwood Blvd.
Sherbrooke, Quebec J1K 1E1, Canada
(819) 563-2202

Designs, manufactures and distributes Sher-Wood and Chimo hockey sticks, and Chimo clothing.

Advance Security
3330 Peachtree Road
Atlanta, Georgia 30305
(404) 231-1210

Security consultation. Uniformed security guards. Fire, safety, security systems and equipment. Industrial and business investigative service. Large area protection.

"Automatic" Sprinkler Corp. of America
P.O. Box 180
Cleveland, Ohio 44147
(216) 526-9900

Sprinkler systems, control valves; sprinkler heads; spray nozzles; "Rate-of-Rise" and electric detection systems, electronic control panels; alarms; hydraulically calculated and special hazards fire protection systems. Fabrication, inspection and maintenance services; Range Guard fire extinguishing systems.

Badger-Powhatan
P.O. Box 7146
Charlottesville, Virginia 22906
(804) 973-4361

Portable water, carbon dioxide, and dry chemical fire extinguishers. Halong systems. Range hoods. "Blaze Guard" fire hose and couplings. Brass products for fire protection, industrial and municipal applications.

Scott Aviation
225 Erie Street
Lancaster, New York 14086
(716) 683-5100

Oxygen and air breathing systems, light aircraft accessories. Gas masks and respiratory devices. Gas analyzers and alarms. Air pollution detection and control equipment. Safety and first aid equipment.

Snorkel-Economy
P.O. Box 65-Stockyards Station
St. Joseph, Missouri 64505
(913) 989-4481

Aerial type water delivery systems for fire fighting apparatus, articulated and telescopic booms, extendable ladders and aerial platforms.

Figgie International Inc.

Consolidated Packaging Machinery
11980 Waldon Avenue
Alden, New York 14004
(716) 937-3361

High-speed automatic capping equipment for bottles, cans and other containers; crimpers; cotton stuffers; scales; bagclosers; gravity paper bag fillers and closers.

Geo. J. Meyer Manufacturing
Charleston, South Carolina 29445
(803) 572-6640

Packaging and bottling equipment. Labeling machinery. Case palletizers. Bottle rinsing and inspection equipment.

Huber Essick
P.O. Box 10263
Charleston, South Carolina 29445
(803) 797-5300

Road-building and construction equipment, Huber motor grader, rollers and maintainers. Scott hydraulic cranes. Smith truck-mounted turbine and tilter concrete mixers.

American LaFrance
600 Mountain Lane
Bluefield, Virginia 24605
(703) 326-1121

Battery-powered tractors, scoops, supply cars, coal cars, hydraulic self-unloading cars, battery chargers, batteries and motors for underground coal mining.

Logan Co.
P.O. Box 6107
Louisville, Kentucky 40206
(502) 587-1361

Conveyor equipment and material handling systems. Wire partitions and window guards, folding gates. Spiral stairs and ornamental ironwork. Automated package and parcel sorting systems.

Safway Steel Products
6228 West State Street
Milwaukee, Wisconsin 53213
(414) 258-2700

Steel scaffolding and shoring systems. Portable bleachers. Powered mobile platforms and swing stages.

Figgie Hydraulics/Stallman Gear
Columbus, Ohio 43215
(614) 224-3394

SpaceGuard Products
Indianapolis, Indiana 46220
(317) 255-5427

Manufactures woven wire partitions for use in securing areas such as tool cribs and stockrooms for industrial use.

ASCOA Fire Systems
Cleveland, Ohio 44147
(216) 526-8980

CASI-RUSCO
Boca Raton, Florida 33487
(407) 997-9660

Manufactures and markets computer-based access control equipment and monitoring systems.

LIN-ACT-
Rockford, Illinois 61130
(815) 633-1777

Alfa Packaging Equipment
Mantova, Italy
37-630-2158

Manufactures high-speed labeling equipment for food, pharmaceutical, alcohol, beverage, petroleum and cosmetic products.

S-P Manufacturing
Solon, Ohio 44139
(216) 248-6161

Manufactures chucks and other work-holding products, and pneumatic and hydraulic cylinders for industry.

Sheffer Collet Company
Traverse City, Michigan 49684
(616) 947-5755

Greer Hydraulics
Euclid, Ohio 44117
(216) 481-6686

Manufactures hydraulic components and fluid power products.

Other Services

Waite Hill Holdings, Inc.
Glen Allen, Virginia 23060
(804) 292-6667

Diversified underwriting.

Colony Insurance Company
Warwick, Rhode Island 02886
(401) 732-0890

Property/casualty underwriting.

Hamilton Insurance Company
Washington, D.C. 20016
(202) 537-8930

Cardinal Casualty Company
Cleveland, Ohio 44130
(216) 826-0335

Property/casualty underwriting.

Waite Hill Services, Inc.
Glen Allen, Virginia 23060
(804) 261-7000

Insurance services.

Figgie Properties, Inc.
Wickliffe, Ohio 44092
(216) 289-5300

Real estate management and development.

Figgie Natural Resources
Wickliffe, Ohio 44092
(216) 289-3005

Oil and gas investments.

Figgie Leasing Corporation
Wickliffe, Ohio 44092
(216) 289-3800

Engaged in vehicle management and leasing services.

International Operations Group

Geo. J. Meyer (Australia) Pty. Ltd.
Logan-Fenamec Pty. Ltd.
Australia

Figgie do Brasil Industria e Commercio Ltda.
Mojonnier do Brasil Industria e Commercio de Equipamentos Ltda.
Brazil

Logan Fenamec Transporttechnik GmbH
Germany

Carter Controls GmbH
Germany

CASI-RUSCO Europe
France

Figgie International Sports, Ltd. S.A.
Haiti

Rawlings Japan Co., Ltd.
Japan

Geo. J. Meyer Mfg. Canada, Ltd.
Sherwood-Drolet Corp. Ltd.
Thermometer Corporation of Canada Ltd.
Adirondack-Sherwood, Inc.
"Automatic" Sprinkler of Canada, Ltd.
Carter Controls Canada Ltd.
Canada

Carter Controls GmbH
Logan Fenamec Transporttechnik GmbH
Germany

Geo. J. Meyer de Mexico, S.A. de C.V.
Greer-Mexico, S.A. de C.V.
Mojonnier de Mexico, S de R.L. de C.V.
Maquiladora TCA de Juarez, S.A. de C.V.
Mexico

Wimbeldon Shirt Company Limited
Fred Perry & Paynes Ltd.
W. Payne & Company, Ltd.
Figgie (G.B.) Ltd.
Fred Perry Sportswear (U.K.) Ltd.
Logan Fenamec (UK) Ltd.
Fred Perry Sportswear Ltd.
Meyer Mojonnier Ltd.
Carter Controls (U.K.) Ltd.
Figgie Investment Trustee Ltd.
Figgie Pension Trustee Ltd.
United Kingdom

Logan Transportteknik AB
Sweden

Figgie de Costa Rica, S.A.
Costa Rica

Figgie International (H.K.) Ltd.
Hong Kong

Alfa Costruzioni Mecchaniche SpA
Omega SpA, Italy

Figgie Foreign Sales Corp.
Economy Engineering International Sales Corp.
U.S. Virgin Islands

"Automatic" Sprinkler Nederland/B.V.
Netherlands

Chemetronics Caribe, Inc.
Puerto Rico

Transfer Agent(s)

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FIGIA and FIGI (NASDAQ)

Number of Employees:

1990	16,000	1987	16,400
1989	17,000	1986	16,300
1988	17,400		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 1,335,080,000	$ 39,662,000
1989	1,298,026,000	62,926,000
1988	1,172,784,000	61,875,000
1987	1,022,692,000	49,340,000
1986	919,818,000	42,426,000

	No. of Com. Shares †	Earn. per Share ≠
1990	18,701,649	$ 2.28
1989	18,909,822	3.04
1988	22,290,009	3.01
1987	20,352,213	2.34
1986	21,232,203	2.10

+ Of continuing operations only.
† Adjusted to reflect stock split.
≠ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business ≠
(000's)

	1990	1989
Consumer	$ 198,945	$ 175,342
Fire protection/safety/secur.	490,655	461,536
Machinery & products	379,630	384,411
Technical	252,546	265,119
Services	39,183	27,076
Total	$ 1,360,959	$ 1,313,484

≠ Including insurance premiums and services, and finance income.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.00	—	—
1989	0.80	—	3-for-1
1988	0.72	—	—
1987	0.56	—	—
1986	0.49	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ≠
1990	$ 352,207,000	$ 18.83
1989	316,504,000	16.74
1988	365,770,000	16.41
1987	321,471,000	15.80
1986	292,591,000	13.78

≠ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,335,080	$ 1,298,026
Insurance premiums & svcs.	20,152	10,875
Leasing income	5,727	4,583
Gain-restruc. empl. ben. plan	—	23,632
Other income	463	365
Total income	$ 1,361,422	$ 1,337,481
Cost of sales	1,004,118	970,238
Underwriting losses	10,930	6,393
Leasing expenses	10,883	8,536
Expenses	219,967	206,749
Interest expense	42,001	32,791
Restruc. charges	9,052	13,566
Income before taxes	$ 64,471	$ 99,208
Income taxes	24,809	36,351
Inc.-cont. oper.	$ 39,662	$ 62,857
Inc.-discont. oper.	—	69
Net Income	$ 39,662	$ 62,926

* Included in Costs and Expenses, Depreciation and Amortization: $35,853,000 in 1990 and $35,111,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 26,887	$ 19,979
Marketable secur.	71,478	63,124
Accts. & notes receiv., net	238,438	254,727
*Inventories	208,707	216,339
Prepaid expenses	17,284	13,732
Current Assets	$ 562,794	$ 567,901
≠Fixed assets	302,218	272,579
Net assets-discont. oper.	30,789	27,991
Investments in affil.	1,130	2,260
Patents	1,905	2,149
Goodwill	84,256	80,957
Prepaid pension costs	5,539	4,190
Other assets	76,959	69,179
Total Assets	$ 1,065,590	$ 1,027,206

Liabilities
(000's)

Notes payable	$ 40,281	$ 10,966
Long-term debt, curr.	20,928	17,473
Accts. payable	82,545	82,784
Accrued payroll	23,510	25,543
Other accruals	46,457	45,675
Unearned premiums	12,432	7,358
Insurance loss reserves	33,984	36,923
Income taxes	18,833	49,346
Curr. Liabilites	$ 278,970	$ 276,068
Long-term debt	375,317	366,614
Deferred inc. taxes	32,234	30,557
Other liabilities	26,862	37,463
+Common stock		
Class A	1,359	1,360
Class B	211	531
Add. paid-in capital	127,777	131,035
Retained earnings	279,696	254,315
Unearned compensation	(52,852)	(63,324)
Cumulative translation adjustment	(3,875)	(7,238)
Unreal. loss on invest.	(409)	(175)
Total Liabilities & Shareholders' Equity	$ 1,065,590	$ 1,027,206

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.83	—
%Net Income to Sales	2.97	—
%Net Income to Equity	12.20	19.88
Sales to Inventories	6.40	6.00
Debt to Equity	1.34	1.25
Working Capital	$ 283,824,000	$ 291,833,000
Current Ratio	2.02	2.06
Shareholders' Equity	$ 325,207,000	$ 316,504,000

Fischer & Porter Company

County Line Road
Warminster, Pennsylvania 18974
(215) 674-6000
FAX: (215) 674-7183

Officers: Jay H. Tolson, chairman of the board & president; Laurence P. Finnegan, Jr., sr. v.p., chief financial officer & treasurer; Geoffrey H. Sayer, exec. v.p.; Joseph A. Gaudiosi, asst. treasurer; Nathan T. Schelle, v.p.-controller & asst. secretary; Frances O. Trace, asst. secretary; Joseph P. Garay, v.p., secretary & general counsel.

Directors: Jay H. Tolson, chairman; Gloria T. Chisum, John J. Manion, Jr., Louis G.L. Thomas, Richard G. Gilmore, Frank J. Ryan, Robert G. Williams.

Areas of Work: Designs, engineers, manufactures and sells process control instruments, equipment and systems, including maintenance services and replacement parts for the measurement, recording and control of the flow of liquids and gases for municipal and industrial water, wastewater, and sewage treatment and distribution; and for industrial process control in the petrochemical, pulp and paper, food, metal, mining, electrical power generation, marine and aerospace industries. Products include flow measurement instruments and instruments of a mechanical and electronic type; analytical instruments and chlorinators; analog, digital and microprocessor-based process controllers and distributed control systems.

Subsidiaries:

Fischer & Porter Pty., Limited
474-478 Princes Highway
Noble Park, Victoria 3174, Australia

Fischer & Porter (Canada) Limited
134 Norfinch Drive
City of North York, Ontario M3N 1X7, Canada

Fischer & Porter Limited
Salterbeck Trading Estate
Workington, Cumbria CA14 5DS, England

OTIC-Fischer & Porter
151 bis Avenue de la Liberation
6300 Clermont-Ferrand, France

Fischer & Porter GmbH
Postfach 1843
D-3400 Goettingen, West Germany

Fischer & Porter Italiana, S.p.A.
P.O. Box 44, Via Gorizia 16
20063 Cernusco Sul/Naviglio
Milan, Italy

Fischer & Porter Research, Inc.
Warminster, Pennsylvania

Fischer & Porter European Operations
Antwerp, Belgium

Fischer & Porter B.V.
Avelingen West 3
4202MS Gorinchem, Netherlands

Fischer & Porter Iberica, S.A.
Sanchez Pacheco, 79
Madrid 28002, Spain

Fischer & Porter Ges.m.b.H.
Wiener Strasse 17
A-2351 Wiener Neudorf, Austria

Fischer & Porter Belgium N.V.
Elektronikalaan 12/14
B-2610 Wilrijk, Belgium

Fischer & Porter AB
Malmgardsvagen 16-18
Box 11124
S-100 61 Stockholm 11, Sweden

Fischer & Porter Oy
Kuunkehra 2
02210 Espoo, Finland

Fispo, S.A.
Apdo. Postal M-9397
Mexico 1, D.F., Mexico

Transfer Agent(s):

Mellon Bank (East)
Pittsburgh, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: FP

Number of Employees:

1990	2,637	1987	2,656
1989	2,675	1986	2,650
1988	2,709		

Plant Footage:

1990	1,233,000 sq. ft.	1988	1,233,000
1989	1,233,000	1987	1,233,000

Sales & Earnings

	Net Sales	Net Income
1990	$ 237,955,000	$ (8,138,000)
1989	225,324,000	3,507,000
1988	207,998,000	(3,895,000)
1987	200,560,000	3,009,000
1986	176,670,000	2,438,000

	No. of Com. Shares +	Earn. per Share +
1990	5,209,000	$ —
1989	5,161,000	0.62
1988	5,119,000	—
1987	5,099,000	0.51
1986	5,027,000	0.40

( ) Loss
+ Based on the monthly weighted average number of common and Class B common shares outstanding adjusted to reflect stock dividends.

Fischer & Porter Company

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	5%	—
1988	—	5%	—
1987	—	5%	—
1986	—	5%	—

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1990	$ 69,426,000	$ 13.74
1989	71,901,000	14.54
1988	67,460,000	13.75
1987	72,875,000	15.14
1986	62,462,000	13.31

‡ After allowing for preferred stock at liquidation value
+ Adjusted to reflect stock dividends

Income Account *
(000's)

Year ended Dec 31	1990	1989
Net sales	$ 237,955	$ 225,324
Cost of sales	152,859	143,309
Expenses	80,663	70,335
Other expense	6,000	—
Oper profit (loss)	$ (1,567)	$ 11,680
Foreign exchange	(1,250)	38
Interest expense	4,170	1,952
Other income	(2,124)	—
Inc (loss) bef taxes	$ (2,363)	$ 9,690
Income taxes	5,775	6,183
Net Income (Loss)	$ (8,138)	$ 3,507

* Included in Costs and Expenses, Depreciation and Amortization $7,753,000 in 1990 and $6,311,000 in 1989

Assets
(000's)

As of Dec 31	1990	1989
Cash & cash equiv	$ 8,645	$ 7,837
Receiv , net	50,850	53,377
*Inventories	62,451	62,347
Prepaid expenses	1,760	1,758
Current Assets	$ 123,706	$ 125,319
≠Fixed assets	43,958	46,109
Other assets	7,303	7,176
Total Assets	$ 174,967	$ 178,604

Liabilities
(000's)

Notes payable	$ 3,559	$ 5,766
Long-term debt, curr	1,505	1,254
Accts payable	15,076	17,476
Accrued payrol	15,066	15,943
Other accruals	11,059	7,544
Income taxes	1,666	2,387
Curr Liabilities	$ 47,931	$ 50,370
Long-term debt	26,897	26,943
Other liab	26,433	22,536
+Preferred stock	2,140	3,427
++Common stock	4,645	4,395
++Class B stock	564	538
Add paid-in capital	61,135	58,137
Retained earnings (deficit)	(330)	11,064
Cumulative trans adjustment	5,552	1,529
Treasury stock	—	(335)
Total Liabilities & Shareholders' Equity	$ 174,967	$ 178,604

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $100 par value, 9% convertible exchangeable
++ $1 par value

Statistical Summary

% Income bef Taxes to Sales	—	4.30
% Net Income to Sales	—	1.56
% Net Income to Equity	—	4.66
Sales to Inventories	3.81	3.61
Debt to Equity	0.45	0.45
Working Capital	$ 75,775,000	$ 74,949,000
Current Ratio	2.58	2.49
Shareholders' Equity	$ 71,566,000	$ 75,328,000

Fleet Aerospace Corporation

P.O. Box 1506
509 Glendale Avenue East
St. Catharines, Ontario L2R 7J9, Canada
(416) 684-9477

Officers: Cecil G. Cline, president & chief executive officer; Bruce W. Gowan, vice chairman finance & secretary -treasurer; Peter M. Tomko, v.p.-human resources & communications; John B. Dekker, corp. controller; Jean L. Mills, asst. secretary.

Directors: John M. Marsh, Cecil G. Cline, Gerald M. Soloway, Bruce W. Gowan, John J. Ruffo, William G. Davis, William A. Dimma, Elmo R. Zumwalt, Jr.

Areas of Work: Designs and manufactures components for the aerospace, marine and communications industries. Products include composite bonded and metal-to-metal bonded structural components for commercial and military aircraft, high-temperature brazed components for jet engines, satellite and radar structures, missile components, specialized anti-submarine defense systems, space engineering and satellite communications, electronic enclosures and power- conditioning equipment for space, military aviation, surface ships and submarines.

Divisions:

Fleet Industries Division
P.O. Box 400
1011 Gilmore Road
Ft. Erie, Ontario L2A 5N3, Canada
(416) 871-2

Techwest Division
7680 River Road
Suite 200
Richmond, British Columbia V6X 1X6 Canada
(604) 273-6336

Subsidiaries:

Fleet Aerospace, Inc.
400 Corporate Pointe
Suite 590
Culver City, California 90230
(213) 649-4391

Lakefront Mfg. Inc.
925 Lakefront Promenade
Mississauga, Ontario L5E 2CE, Canada
(416) 278-8777

Aeronca, Inc.
Middletown, Ohio

Transfer Agent(s):

Central Guaranty Trust Company
Toronto, Canada

Stock Exchange(s): Toronto

Ticker Symbol: FLT

Number of Employees:

1990	1,300	1987	2,400
1989	2,400	1986	1,700
1988	2,500		

Plant Footage:

1990	N.A.	1988	1,517,000
1989	1,420,000 sq. ft.		

N.A.-Not Available

Sales & Earnings

	Net Sales +	Net Income +
1990	$ 133,820,000	$ (6,379,000)
1989	135,274,000	(2,235,000)

	No. of Com. Shares ‡	Earn. per Share + ≠
1990	7,811,394	$ —
1989	7,893,166	—
1988	8,133,191	—
1987	9,012,078	—
1986	7,690,542	—

(Loss)
+ Of continuing operations only
‡ Common shares and Class A non-voting shares combined adjusted to reflect stock split
≠ Based on the weighted average number of common shares and Class A non-voting shares outstanding adjusted to reflect stock split

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	0.07	—	—
1986	—	—	2-for-1

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 15,953,000 +	$ 2.04
1989	5,884,000 +	0.75
1988	17,134,000 +	2.11
1987	38,306,000 +	4.25
1986	55,006,000	7.15

+ After allowing for preferred stock at stated value
‡ Common shares and Class A non-voting shares combined adjusted to reflect stock split

Income Account *

Year ended Sept 30	1990	1989
Net sales	$ 133,820,000	$ 135,274,000
Cost of sales	120,942,000	119,393,000
Adm & gen expenses	12,986,000	11,982,000
Amort of goodwill	717,000	775,000
Interest expense	6,557,000	5,407,000
Other expense (income)	(440,000)	217,000
Loss before taxes	$ (6,942,000)	$ (2,500,000)

Tax credit	(45,000)	(210,000)
Loss on equity invest	—	47,000
Minority interest	(518,000)	(102,000)
Net Loss	$ (6,379,000)	$ (2,235,000)

* Included in Costs and Expenses, Depreciation and Amortization: $3,986,000 in 1990 and $3,755,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	$ —	$ 1,027,000
Accts. recev., net	20,473,000	20,370,000
*Inventories	48,733,000	50,395,000
Long-term recev., curr	875,000	—
Prepaid expenses	1,161,000	522,000
Net assets-discont. oper	7,289,000	31,496,000
Current Assets	$ 78,531,000	$ 103,810,000
Fut. tax benefits	—	1,525,000
Long-term recev	356,000	—
Investments	402,000	1,108,000
#Fixed assets	15,998,000	16,891,000
Goodwill	15,230,000	29,690,000
Other assets	117,000	2,114,000
Total Assets	$ 110,634,000	$ 155,138,000

Liabilities

Bank indebtedness	$ 50,624,000	$ 55,826,000
Long-term debt, curr	14,748,000	7,296,000
Accts. payable & accruals	22,745,000	16,657,000
Curr. Liabilities	$ 88,117,000	$ 79,779,000
Long-term debt	1,698,000	16,743,000
Minority interest	4,866,000	7,281,000
+Preferred stock	45,481,000	45,481,000
++Common stock	2,257,000	2,323,000
++Class A non-voting stock	32,226,000	46,271,000
Retained earnings (deficit)	(67,518,000)	(35,027,000)
For. exch. translation	(8,540,000)	(7,713,000)
Total Liabilities & Shareholders' Equity	$ 110,634,000	$ 155,138,000

* Work in progress at lower of cost and est. net realizable value; materials and supplies at lower of average cost and replacement cost.
# Less accumulated depreciation.
+ No par value, $0.60 cumulative convertible.
++ No par value.

Statistical Summary

Sales to Inventories	2.75	2.68
Debt to Equity	4.20	1.56
Working Capital	—	$ 24,031,000
Current Ratio	—	1.30
Shareholders' Equity	$ 15,953,000	$ 51,335,000

Ford Motor Company

The American Road
P.O. Box 1899
Dearborn, Michigan 48121
(313) 322-3000
FAX: (313) 322-4435

Officers: Harold A. Poling, chairman of the board & chief executive officer; Stanley A. Seneker, exec. v.p. & chief financial officer; Allan D. Gilmour, Jr., exec. v.p. & president-Ford Automotive Group; W. Wayne Booker, v.p.-Asia-Pacific Automotive Operations; Louis R. Ross, exec. v.p.-International Automotive Operations; Alexander J. Trotman, exec. v.p.-operations, NAAO; Kenneth Whipple, president-Ford Financial Services Group; Basil J. Coughlan, v.p.-sales; John W. Martin, Jr., v.p.-general counsel; Albert Caspers, v.p.-engineering & vehicle mfg. group; Edward E. Hagenlocker, v.p. & gen. mgr.-Truck Operations; William H. Fike, pres.-Ford of Europe Inc.; Elliott S. Hall, v.p.-Washington affairs; I. Lindsey Halstead, chairman of the board-Ford of Europe Inc.; J. Craig Hausman, v.p.-employee relations; William J. Hayden, chairman of the board-Jaguar Limited; Max L. Jurosek, gen. mgr.-Powertrain operations; Kenneth K. Kohrs, v.p.-Car Product Development; Oscar B. Marx, III, v.p.-Automotive Components; Lee R. Miskowski, v.p.-gen. mgr.-Lincoln-Mercury Div.; Louis E. Lataif, v.p.-quality & marketing; Henry A. Nickol, v.p. & gen. mgr.-Vehicle Operations; Clinton D. Lauer, v.p.-purchasing and supply; John A. Oldfield, v.p.-Product Programs & Powertrain Group; Mervyn H. Manning, v.p.-Latin American Automotive Operations; David N. McCammon, v.p.-finance & treasurer; John P. McTague, v.p.-technical affairs; Peter J. Pestillo, v.p.-corporate relations & diversified businesses; Helen O. Petrauskas, v.p.-environmental and safety engineering; Robert L. Rewey, v.p.-sales operations; Ross H. Roberts, v.p., & gen. mgr.-Ford Division; David W. Scott, v.p.-public affairs; John J. Telnack, v.p.-design; Thomas J. Wagner, v.p., & gen. mgr., Ford Parts & Services Division; Murray L. Reichenstein, v.p. & controller; Malcolm S. Macdonald, asst. treasurer; Patrick E. Sharp, asst. treasurer; John M. Rintamaki, asst. secretary; Burton B. Smoliar, asst. secretary; Sally W. Staebler, asst. secretary.

Directors: Harold A. Poling, chairman; William Clay Ford, Philip E. Benton, Jr., Colby H. Chandler, Michael D. Dingman, Edsel B. Ford, II, William Clay Ford, Jr., Allan D. Gilmour, Roberto C. Goizueta, Irving O. Hockaday, Jr., Drew Lewis, Ellen R. Marram, Kenneth H. Olsen, Carl E. Reichardt, Louis R. Ross, Stanley A. Seneker, Clifton R. Wharton, Jr.

Areas of Work: Engaged in the manufacture of cars, trucks, tractors and their parts; also manufactures and sells electronic products, industrial and chemical products, architectural glass, as well as engaged in finance and insurance operations.

Subsidiaries:

Ford International Capital Corporation
Hamilton, Bermuda

Ford Motor Credit Company (unconsolidated)
Dearborn, Michigan

The American Road Insurance Company
(unconsolidated)
Dearborn, Michigan

Ford Leasing Development Company (unconsolidated)
Dearborn, Michigan

Ford Motor Land Development Corporation
(unconsolidated)
Dearborn, Michigan

Associates Corporation of North America
Ford Electronics and Refrigeration Corporation
Ford International Finance Corporation
Ford International Capital Corporation
First Nationwide Financial Corporation
First Nationwide Bank
United States Leasing International, Inc.
Park Ridge Corporation (Hertz)

Ford of Europe, Incorporated
Brentwood, Essex, England

Henry Ford & Son, Limited
Cork, Ireland

Ford Motor Credit Company Limited (unconsolidated)
Brentwood, Essex, England

Ford Motor Company (Belgium) N.V.*
Antwerp, Belgium

Ford Motor Company (Switzerland) S.A.
Zurich, Switzerland

Ford Motor Argentina, S.A.
Buenos Aires, Argentina

Ford Motor Company, S.A. de C.V.
Mexico City, Mexico

Ford Motor de Venezuela S.A.
Valencia, Venezuela

Ford Motor Company of Canada, Limited*
Oakville, Ontario, Canada

Ford Motor Company of Australia Limited
Campbellfield, Australia

Ensite Limited
Windsor, Ontario, Canada

Ford Brasil S.A.*
Sao Bernardo do Campo, Brazil

Ford-Werke AG
Cologne, Germany

Ford Credit Bank AG (unconsolidated)
Cologne, Germany

Ford France S.A.
Rueil-Malmaison, France

Ford Italiana, S.p.A.
Rome, Italy

Ford Motor Company A/S*
Copenhagen, Denmark

Ford Nederland B.V.*
Amsterdam, The Netherlands

Ford Credit S.A. (unconsolidated)
Madrid, Spain

Ford Financiadora S.A. (unconsolidated)
Sao Paulo, Brazil

Ford Motor Company (Japan) Ltd.
Tokyo, Japan

Ford Espana S.A.
Madrid, Spain

Ford Lio Ho Motor Company, Ltd.*
Taipei, Taiwan

Transcon Insurance Limited (unconsolidated)
Hamilton, Bermuda

Ford Asia-Pacific, Inc.
Melbourne, Australia

Ford Motor Company Limited
Brentwood, Essex, England

Ford Motor Company of New Zealand Limited
Lower Hutt, New Zealand

Ford Direct Market Operations, Incorporated
Dearborn, Michigan

Ford Glass Limited
Canada

Ford Credit N.V.
Belgium

Ford Credit S.p.A.
Italy

Ford Leasing, S.p.A.
Italy

Ford Credit A/S
Denmark

Ford Credit B.V.
The Netherlands

Ford Leasing S.A.
Spain

Ford Credit A.B.
Sweden

Ford Credit S.A.
Switzerland

Mazda Motor Corporation
Japan

* Subsidiaries in which there is an outstanding minority interest.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, New York 10001

Ford Motor Company

Manufacturers National Bank of Detroit
100 Renaissance Center
Detroit, Michigan 48243

Montreal Trust Company
P.O. Box 1900, Station B
Montreal, Quebec H3B 3L6, Canada

National Trust Company
Corporate Trust Services
4 King Street West, fifth floor
Toronto, Ontario M5H 3W7, Canada

Stock Exchange(s): New York, Midwest, Pacific, Boston, Philadelphia, Toronto, Montreal, Tokyo

Ticker Symbol: F

Number of Employees:

1990	370,400	1987	351,711
1989	366,641	1986	382,274
1988	358,939		

Sales & Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1990	$ 81,844,000	$ 860,100
1989	82,879,400	3,835,000
1988	82,193,000	5,300,200
1987	71,797,200	4,625,200
1986	62,868,300	3,285,100

	No. of Com Shares ‡	Earn. per Share ‡
1990	462,700,000	$ 1.86
1989	466,600,000	8.22
1988	483,800,000	10.96
1987	511,000,000	9.05
1986	533,100,000	6.16

‡ Sales are for the automotive segment only
‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend *	Stock Dividend	Stock Split
1990	$ 3.00	—	—
1989	3.00	—	—
1988	2.30	—	—
1987	1.58	—	2-for-1
1986	1.11	—	3-for-2

* Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	$ 23,238,100	$ 49.12
1989	22,727,800	48.07
1988	21,529,000	43.87
1987	18,492,700	36.44
1986	14,859,500	27.68

‡ Adjusted to reflect stock splits.

Income Account*
(000's)

Year ended Dec. 31	1990	1989
AUTOMOTIVE		
Net sales	$ 81,844,000	$ 82,879,400
Cost of sales	77,528,400	74,314,100
Expenses	4,000,000	3,752,400
Loss on sale of Rouge Steel	—	561,300
Interest income	(624,700)	(786,700)
Interest expense	564,400	321,100
Eq. in loss (inc.) of subsid.	96,900	(422,600)
Net rev.-trans. with Fin. Svc	4,500	(15,500)
Inc. bef. taxes-Automotive	$ 274,500	$ 5,155,300
FINANCIAL SERVICES		
Revenues	$ 15,806,000	$ 13,266,500
Interest expense	9,008,500	8,277,400
Oper. & other expenses	2,716,400	1,867,000
Prov. for credit losses	1,920,900	1,569,000
Depreciation	944,200	663,300
Net rev.-trans. with Auto	(4,500)	15,500
Inc. bef. taxes-Fin. Serv.	$ 1,220,500	$ 874,300
TOTAL COMPANY		
Income bef. taxes	$ 1,495,000	$ 6,029,600
Income taxes	530,400	2,112,400
Minority interest	104,500	82,200
Net Income	$ 860,100	$ 3,835,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,879,600,000 in 1990 and $4,228,700,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 4,599,300	$ 4,045,300
Marketable securities	1,478,700	1,680,200
Receiv., net	3,537,000	4,703,400
*Inventories	7,115,400	6,816,800
Other curr. assets	2,448,800	1,918,900
Net receiv.-Fin. Svcs., curr.	319,500	344,600
Current Assets	$ 19,498,700	$ 19,509,200
Eq. in assets of affil. companies	2,180,000	4,178,500
#Fixed assets	22,207,800	18,135,400
Other assets	6,679,500	3,635,100
Net receiv.-Fin. Svcs	257,400	361,000
Assets of Fin. Svcs.	122,839,300	115,074,100
Total Assets	$ 173,662,700	$ 160,893,300

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 2,849,400	$ 2,537,000
Accts. payable	9,488,600	10,164,000
Accruals	8,370,200	6,794,700
Income taxes	155,800	684,900
Curr. Liabilities	$ 20,864,000	$ 20,180,600
Long-term debt	4,552,900	1,137,000
Other liabilities	8,854,900	6,948,800
Deferred inc. taxes	1,515,700	1,876,900
Liabilities of Fin. Svcs.	113,837,100	107,222,200
Preferred stockholders' eq. in subsid. company	800,000	800,000
+ Common stock	437,700	437,400
+ Class B stock	35,400	35,400
Add. paid-in capital	766,200	574,200
For. curr. trans. adjust.	823,300	(23,200)
Retained earnings	21,175,500	21,704,000
Total Liabilities & Shareholders' Equity	$ 173,662,700	$ 160,893,300

* At lower of cost (domestic inventories at LIFO, foreign at FIFO) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

	1990	1989
% Net Income to Equity	3.70	16.87
Debt to Equity	0.32	0.16
Shareholders' Equity (000's)	$ 23,238,100	$ 22,727,800

The Foxboro Company

(A private company.)

Bristol Park
Foxboro, Massachusetts 02035
(508) 543-8750
FAX: (508) 549-6750

Officers: Gary W. Willis, chairman, president & chief executive officer; John C. Fuller, v.p. & clerk; Ernoe Csaky, v.p.; Richard L. McAllister, v.p.; Gerald F. Morris, v.p. & treasurer; Peter F. McCrea, v.p.; Edward P. Nobrega, v.p.; David W. Rickard, v.p.; Stanley S. Shaffran, v.p.; Donald N. Sorterup, v.p.; Karen L. Ashley, secretary.

Directors: Gary K. Willis, chairman; P. Chatterjee; Bristol B. Crocker; James R. Nichols; Earle W. Pitt; Paul W. Murrill; G. Richard Westin; A. R. McFarland; Michael R. Corboy; John R. Rockwell; Richard W. Sonnenfeldt; John C. Fuller; Thomas J. Feehan.

Areas of Work: Designs, manufactures and sells mechanical, pneumatic and electronic products for process and energy control. Products measure such process variables as flow, pressure, temperature and liquid level, and measures the composition of materials being processed.

Divisions and Subsidiaries:

Foxboro/Jordon Inc.
5607 West Douglas Avenue
Milwaukee, Wisconsin
(414) 461-9200

Foxboro Far East Private Ltd.
P.O. Box 52
Farrer Road
Singapore

Foxboro (Malaysia) Sendirian Berhad
130 Jalan Kasah
Medan Damansara
Kuala Lumpur, 23-10, Malaysia

Foxboro-Argentina, S.A.
Avendia R.S. Pena 570
Buenos Aires 33-7585, Argentina

Foxboro Controles, S.A.
P.R. Testing Building
Dr. Mario Julia Industrial Development
Matadero Road
Puerto Nuevo 00920, Puerto Rico
(809) 782-8033

Foxboro Intertrade, Inc.
110 West Tenth Street
Wilmington, Delaware 19801
(617) 543-8750

Foxboro International Limited
Wiggie House
Redhill
Surrey RH1 2HL, England

Foxboro Canada, Inc.
707 Dollard Avenue
La Salle, Quebec, Canada
(514) 366-4210

Foxboro-Yoxall
Division of Foxboro Great Britain Ltd.
Redhill
Surrey RH1 2HL, England

Foxboro (Nederland) NV
Koningsweg, 30
Soest, Netherlands

Foxboro S.A.
Avena 410 and 410-A
Mexico 8, DF, Mexico

Foxboro, France, S.A.
B.P. 741
95004 Cergy Pontoise Cedex, France

Foxboro, KK
7, Kojimachi
Chiyoda-Ku
Tokyo 1048, Japan

Foxboro Italia, SpA
Via Fabio Filzi, 27
Milan, Italy

Foxboro Deutschland GmbH
4000 Dusseldorf 11,
West Germany

Foxboro/I.T.C., Inc.
1750 Junction Avenue
San Jose, California
(408) 998-8720

Foxboro Trading, Inc.
100 West Tenth Street
Wilmington, Delaware 19801

Foxboro Intercontinental Ltd.
P.O. Box 3361
Amman, Jordan

Foxboro Analytical Division
Armstrong Road
Plymouth Industrial Park
Plymouth, Massachusetts 02360

151 Woodward Avenue
South Norwalk, Connecticut 06856

Shanghai-Foxboro Ltd.
China

China-Foxboro Corp.
Tokyo, Japan

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, London

Ticker Symbol: FOX

Number of Employees:

1989	6,649	1986	7,847
1988	7,186	1985	8,739
1987	7,078		

Plant Footage:

1989	1,600,000 sq. ft.	1987	2,593,086
1988	2,691,000	1986	2,692,786

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 597,779	$ (4,565)
1988	539,879	9,808
1987	504,425	(96,934)
1986	543,986	8,862
1985	572,175	(40,881)

	No. of Com. Shares *	Earn. per Share *
1989	12,312,000	$ —
1988	12,314,833	0.80
1987	12,314,282	—
1986	12,336,869	0.70
1985	12,351,251	—

(Loss)
* Based on the average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.10	—	—
1988	0.80	—	—
1987	—	—	—
1986	0.75	—	—
1985	0.78		—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 182,070	$ 14.79
1988	195,186	15.85
1987	188,382	15.30
1986	267,448	21.68
1985	253,184	20.50

X Restated
‡ Based on the average number of shares outstanding

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 597,779	$ 539,879
Cost of sales	401,292	337,923
Res., develop., & eng. exp.	36,045	37,196
Sell., gen. & adm. exp.	157,572	144,261
Other expenses	1,285	5,416
Inc. bef. taxes	$ 1,585	$ 15,083
Inc. taxes	6,150	5,275
Net Income (Loss)	$ (4,565)	$ 9,808

* Included in Costs and Expenses, Depreciation and Amortization: $21,762,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 3,731	$ 761
Accts. & notes receiv., net	163,852	164,640
*Inventories	130,842	157,841
Other curr. assets	23,089	22,873
Current Assets	$ 321,514	$ 346,137
# Fixed assets	105,214	111,372
Other assets	17,062	14,726
Total Assets	$ 443,790	$ 472,235

Liabilities
(000's)

	1989	1988
Bank loans & long-term debt, curr.	$ 13,234	$ 84,724
Accts. payable & accruals	66,427	81,083
Advances	41,641	51,774
Curr. Liabilities	$ 121,302	$ 217,581
Long-term debt	85,650	5,750
Other liab. & def. inc. taxes	13,998	12,012
Deferred pension costs	40,770	41,706
Shareholders' equity *	182,070	195,186
Total Liabilities & Shareholders' Equity	$ 443,790	$ 472,235

* At lower of cost or market. Domestic inventories at LIFO, remainder at FIFO.
# Less accumulated depreciation.

Statistical Summary

	1989	1988
% Income bef. Taxes to Sales	0.27	2.79
% Net Income to Sales	—	1.82
% Net Income to Equity	—	5.02
Sales to Inventories	4.57	3.97
Debt to Equity	0.54	0.46
Working Capital	$ 200,212,000	$ 128,556,000
Current Ratio	2.65	1.59
Shareholders' Equity	$ 182,070,000	$ 195,186,000

Franklin Electric Co., Inc.

400 East Spring Street
Bluffton, Indiana 46714
(219) 824-2900
FAX: (219) 824-2909

Officers: William H. Lawson, chairman of the board & chief executive officer; John B. Lindsey, v.p.-marketing; Dean W. Pfister, v.p.-finance, secretary & treasurer; Donald W. Fore, v.p.-operations; Herbert L. Wise, v.p.-engineering.

Directors: William H. Lawson, chairman; William W. Keefer, Robert L. Little, Edward J. Schaefer, Patricia Schaefer, Donald J. Schneider, Gerard E. Veneman, Juris Vikmanis.

Areas of Work: Manufactures submersible electric motors and special engineered fractional horsepower motors used by original equipment manufacturers in a wide variety of industrial and consumer products.

Affiliates:

Oil Dynamics, Inc. (50%-owned)
Tulsa, Oklahoma
Submersible oil pumping systems

Franklin Electric (Aust.) Pty. Ltd. (50%-owned)
Dandenong, Victoria, Australia
Motors and packaging systems

Franklin Electrica S.A. de C.V. (49%-owned)
Monterrey N.L., Mexico
Manufactures motors

Transfer Agent(s):

Illinois Stock Transfer Company
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FELE (NASDAQ)

Number of Employees:

1990	2,005	1988	2,117
1989	2,080	1987	1,900

Plant Footage:

1990	1,512,690 sq. ft.	1988	1,527,340
1989	1,512,690	1987	1,525,540

Sales & Earnings

	Net Sales	Net Income †
1990	$ 178,985,000	$ 11,571,000
1989	172,510,000	10,843,000
1988	161,582,000	10,822,000
1987	145,412,000	9,478,000
1986*	130,465,000	7,685,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	6,180,000	$ 1.31
1989	3,141,000	3.18
1988	3,509,000	3.08
1987	3,702,000	2.56
1986*	3,694,000	2.08

(Loss)
* 53 weeks
† Including extraordinary gains of $288,000 ($0.05 per share) in 1990, $194,000 ($0.06 per share) in 1989, $186,000 ($0.05 per share) in 1988, $1,351,000 ($0.36 per share) in 1987 and $2,211,000 ($0.60 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	0.48	—	—
1988	0.64	—	—
1987	0.58	—	—
1986	0.58	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 11,598,000 ⌗	$ 1.88
1989	2,556,000 ⌗	0.81
1988	44,172,000	12.59
1987	62,855,000	16.98
1986	53,966,000	14.61

⌗ After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	12/29/90	12/30/89
Net sales	$ 178,985	$ 172,510
Cost of sales	137,155	134,372
Expenses	23,584	24,168
Interest expense	1,694	1,022
Other income	(207)	(1,292)
For. curr. loss (income)	120	(12)
Income before taxes	$ 16,439	$ 14,252
Income taxes	6,518	5,965
Eq. in earn. of affil	(1,362)	(2,362)
Net Income	$ 11,283	$ 10,649
Extraord. gain	288	194
Net Income & extraord. gain	$ 11,571	$ 10,843

* Included in Costs and Expenses, Depreciation: $4,082,000 in 1990 and $4,003,000 in 1989.

Assets
(000's)

As of	12/29/90	12/30/89
Cash & cash equiv.	$ 17,070	$ 3,848
Accts. receiv., net	16,185	19,138
Refund inc. taxes	1,092	—
*Inventories	21,673	21,713
Other curr. assets	5,589	4,833
Current Assets	$ 61,609	$ 49,532
Investments in affil	14,245	14,082
⌗Fixed assets	23,427	24,738
Other assets & deferred charges	1,973	488
Total Assets	$ 101,254	$ 88,840

Liabilities
(000's)

	12/29/90	12/30/89
Long-term debt, curr.	$ 274	$ 254
Short-term borrowings	198	192
Accts. payable	9,502	7,483
Accruals	25,377	23,769
Income taxes	1,256	936
Curr. Liabilities	$ 36,607	$ 32,634
Long-term debt	16,430	16,704
Pension liability	2,760	—
Deferred inc. taxes	1,641	2,478
+ Redeem. pref. stock	26,400	28,650
++ Preferred stock-Class C	5,818	5,818
+++ Common stock	601	598
Add. paid-in capital	114	—
Retained earnings	11,839	4,568
Stock subscriptions	(2,039)	(2,328)
Cum. trans. adjust.	1,083	(282)
Total Liabilities & Shareholders' Equity	$ 101,254	$ 88,840

* At lower of cost (LIFO) or market, foreign at FIFO.
⌗ Less accumulated depreciation and amortization.
+ No par value; $100 stated value. Class A: $9.50 cumulative; Class B: $11.00 cumulative.
++ No par value; $100 stated value; $10.50 cumulative.
+++ $0.10 par value.

Statistical Summary

% Income Bef. Taxes to Sales	9.18	8.26
% Net Income to Sales	6.30	6.17
% Net Income to Equity	64.79	127.17
Sales to Inventories	8.26	7.95
Debt to Equity	0.97	2.05
Working Capital	$ 25,002,000	$ 16,898,000
Current Ratio	1.68	1.52
Shareholders' Equity	$ 17,416,000	$ 8,374,000

Frequency Electronics, Inc.

55 Charles Lindbergh Boulevard
Mitchel Field, New York 11553
(516) 794-4500
FAX: (516) 794-4340

Officers: Martin B. Bloch, chairman & president; John C. Ho, v.p.-research & development; Marvin Meirs, v.p.-engineering; Alfred Vulcan, v.p.-systems engineering; Harry Newman, treasurer & secretary; Markus Hechler, v.p.-manufacturing & asst. secretary; Charles S. Stone, v.p.-low noise development; Peter O. Clark, v.p., & president-FEI Microwave, Inc.

Directors: Martin B. Boch, chairman; John C. Ho, Abraham Lazar, E. John Rosenwald, Jr., Joel Girsky.

Areas of Work: Operates principally in two industries – frequency and time control products, and microwave integrated circuit components. Operations in the frequency and time control area consist of the research, design and manufacture of systems, instruments and equipment that operate on frequency control. These systems are used in guidance, navigation communications, surveillance and electronic countermeasure and timing systems. Operations in the microwave integrated circuit component industry consist of the design and manufacture of metallized substrates, having application with radar, communications and navigation equipment. Products include quartz crystals, quartz crystal oscillators and discriminators, and cesium beam resonators.

Subsidiaries:

Tek-wave, Inc.
Manufacturer of devices, components and sub-systems for Microwave Integrated Circuit (MIC) applications. Products include hermetic and non-hermetic connectors and circuit frames, metallized substrates and thin film circuit fabrication, and sub-system packages which incorporate these various components.

Brightline Corporation
Designs, develops, and manufactures low noise oscillators, synthesizers, and frequency sources.

Time and Frequency, Ltd. (50%-owned)
Israel
Manufactures time and frequency products in Europe and Israel.

FEI Microwave, Inc.
(formerly TRW Microwave Products Inc.)
825 Stewart Drive
Sunnyvale, California 94086
(408) 732-0880
Manufactures solid state microwave components for military and commercial communications and avionics.

Transfer Agent(s):

American Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: FEI

Number of Employees:

1990	808	1987	964
1989	833	1986	500
1988	933		

Plant Footage:

1990	221,000 sq. ft.	1987	215,000
1989	221,000	1986	101,000
1988	200,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 61,787,000	$ 2,517,000
1989	57,905,000	2,386,000
1988	59,276,000	3,791,000
1987	56,001,000	4,762,000
1986	32,014,000	5,086,000

	No. of Com. Shares ⌗	Earn. per Share ⌗
1990	5,527,632	$ 0.46
1989	5,594,486	0.43
1988	5,626,590	0.67
1987	4,953,363	0.96
1986	4,595,087	1.11

⌗ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Components	$ 9,020,000	$ 4,347,000
Microwave prods.	31,557,000	23,189,000
Instruments	17,058,000	19,553,000
Systems	4,152,000	10,816,000
Total	$ 61,787,000	$ 57,905,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 69,807,000	$ 12.61
1989	70,815,000	12.66
1988	67,826,000	12.09
1987	66,377,000	13.40
1986	41,410,000	9.01

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*

Year ended April 30	1990	1989
Net sales	$ 61,787,000	$ 57,905,000
Cost of sales	47,582,000	43,252,000
Expenses	9,931,000	10,850,000
Interest income	(1,101,000)	(1,165,000)
Interest expense	1,659,000	2,002,000
Other expense	268,000	1,053,000
Income before taxes	$ 3,984,000	$ 4,019,000
Income taxes	1,467,000	1,633,000
Net Income	$ 2,517,000	$ 2,386,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,006,000 in 1990 and $2,916,000 in 1988.

Assets

As of April 30	1990	1989
Cash & cash equiv.	$ 10,311,000	$ 14,880,000
Short-term invest.	1,197,000	1,390,000
Accts. receiv.-net	40,851,000	36,755,000
*Inventories	19,691,000	22,071,000
Prepaid expenses	1,089,000	854,000
Def. income taxes	535,000	—
Income taxes refund.	—	1,664,000
Current Assets	$ 73,674,000	$ 77,614,000
#Fixed assets	20,424,000	19,038,000
Other assets	4,771,000	4,904,000
Total Assets	$ 98,869,000	$ 101,556,000

Liabilities

	1990	1989
Notes payable	$ 717,000	$ —
Long-term debt, curr.	1,517,000	3,509,000
Accts. payable	3,145,000	3,048,000
Accrued payroll	1,643,000	1,608,000
Other accruals	2,159,000	1,750,000
Income taxes pay.	1,159,000	—
Def. inc. taxes	—	1,290,000
Curr. Liabilities	$ 10,340,000	$ 11,205,000
Long-term debt	15,670,000	17,187,000
Deferred compensation	845,000	870,000
Deferred income taxes	2,207,000	1,779,000
+Common stock	5,667,000	5,667,000
Add. paid-in capital	34,134,000	33,962,000
Retained earnings	35,764,000	31,227,000
Treasury stock	(3,623,000)	(850,000)
Unearned compensation	(386,000)	—
Unreal. loss on secur.	(1,749,000)	(1,191,000)
Total Liabilities & Shareholders' Equity	$ 98,869,000	$ 101,556,000

* At lower of cost (specific and average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	6.48	6.94
% Net Income to Sales	4.11	4.12
% Net Income to Equity	5.63	5.57
Sales to Inventories	3.14	2.62
Debt to Equity	0.26	0.29
Working Capital	$ 63,334,000	$ 66,409,000
Current Ratio	7.13	6.93
Shareholders' Equity	$ 69,807,000	$ 70,815,000

Fujitsu Limited

6-1, Marunouchi 1-chome
Chiyoda-ku
Tokyo 100 Japan
(03) 216-3211
FAX (03) 216-9374

Board of Directors: Takuma Yamamoto, president & representative director; Matami Yasufuku, executive v.p. & representative director; Kazuo Watanabe, Mamoru Mitsugi, Yusaku Onaga, Akira Ohguro, Mikio Ohtsuki, Tadashi Sekizawa, Motojiro Shiromizu, exective directors; Mutsuro Umezu, Eigo Kato, Tokio Tatsuta, Hiroyuki Ino, Takuya Maruwa, Michio Naruto, Koichi Nozawa, managing directors; Seiuemon Inaba, Takeshi Nakao, Toshio Hiraguri, Ryoichi Sugioka, Yoshimao Hirose, Iwao Katsuki, Yasushi Nakamura, Takeshi Ishida, Yasuchika Koike, Takashi Obata, Hikotaro Masunaga, Naoyuki Akikusa, Masuo Tanaka, Keizo Fukagawa, Michio Fujisaki, directors.

Areas of Work: In the area of Data Processing, the Company manufactures a wide range of computers, including medium-, large-, and very-large-scale general-purpose computers, super-computers, minicomputers, business personal computers and small business computers, word processors, advanced computer workstations, artificial intelligence software, and digital facsimile equipment.

In the area of Telecommunications, the Company manufactures digital switching and carrier transmission systems, optical transmission systems, submarine optical fiber cable repeaters, terminals for high-speed digital leased lines and digital microwave systems, corporate communications networks, digital PBXs, packet switching systems, digital modems, amplifiers and receivers for satellite communications, and digital key-phone systems.

Semiconductor products include application specific integrated circuits, including CMOS, ECL, TTL, and Bi-CMOS gate arrays and standard cells that allow more flexible logic design, software for the logic design of gate arrays and standard cells, and integrated circuit (IC) memories. Electronic Components include relays, connectors, keyboards, hybrid IC's, computer printers and color plotters. The Company also manufactures car audio products.

Subsidiaries (Japan):

Fujitsu Laboratories, Ltd.
Shinko Electric Industries Co., Ltd.
Fuji Electrochemical Co., Ltd.
Fujitsu TEN Limited
Hasegawa Electric Co., Ltd.
Fujitsu Kiden Ltd.
Fujitsu Denso Ltd.
Fujitsu Isotec Limited
Fujitsu Kasei Ltd.
Fujitsu Automation Limited
Fujitsu Yamanashi Electronics Limited
Kyushu Fujitsu Electronics Ltd.
Fujitsu Tohoku Electronics Ltd.
Fujitsu Miyagi Electronics Ltd.
Yamagata Fujitsu Limited
Fujitsu Peripherals Limited
Fujitsu Buhin Limited
Shinano Fujitsu Ltd.
Fujitsu FACOM Information Processing Corporation
Fujitsu Dai-ichi System Engineering Limited
Fujitsu Social Science Laboratory Limited
Fujitsu Distribution Systems Engineering Limited
Fujitsu Microcomputer Systems Limited
Fujitsu Kansai System Engineering Limited
Fujitsu Tokai Systems Engineering Limited
Fujitsu Financial Systems Engineering Limited
Fujitsu Tohoku Systems Engineering Limited
Fujitsu Financial Information Systems Limited
Fujitsu Social Systems Engineering Limited
Fujitsu Dai-ichi Communication Software Limited
Fujitsu Basic Software Corporation
Fujitsu Technosystems Limited
Fujitsu Kyushu System Engineering Limited
Fujitsu Business Sytems Ltd.
Fujitsu System Integration Laboratories Ltd.
Fujitsu VLSI Limited
Fujitsu Office Machines Limited
Fujitsu OA Limited
Fujitsu Supplies Limited
Fujitsu Busho Ltd.
Totalizator Engineering Limited
Fujitsu Documents Service Limited
Tokai Densetsu Ltd.
Fujitsu Automated Printing & Publishing Co., Ltd.
Fujitsu Fudosan Ltd.
Fujitsu Trading Ltd.
Fujitsu Microdevices Ltd.
Totalizator Engineering Limited

Subsidiaries (U.S.A.):

Fujitsu America, Inc.
3055 Orchard Drive
San Jose, California 95134-2017
(408) 432-1300

Fujitsu Business Communications of America, Inc.
3190 Mira Loma Avenue
Anaheim, California 92806
(714) 630-7721

Fujitsu Component of America Inc.
3330 Scott Boulevard
Santa Clara, California 95054-3197
(408) 562-1000

Fujitsu Customer Service of America, Inc.
12670 High Bluff Drive
San Diego, California 92130-2013
(619) 481-4004

Fujitsu GTE Business Systems, Inc.
2411 West 14th Street
Tempe, Arizona 85281
(602) 921-5900

Fujitsu Imaging Systems of America, Inc.
Corporate Drive, Commerce Park
Danbury, Connecticut 06810
(203) 796-5400

Fujitsu Microelectronics, Inc.
3545 North First Street
San Jose, California 95134-1804
(408) 922-9000

Fujitsu Microsystems of America, Inc.
3025 Orchard Parkway
San Jose, California 95134-2017
(408) 434-1160

Fujitsu Network Switching of America, Inc.
4403 Bland Road, Somerset Park
Raleigh, North Carolina 27609
(919) 790-2211

Fujitsu Systems of America, Inc.
12670 High Bluff Drive
San Diego, California 92130-2013
(619) 481-4004

Intellistor, Inc.
2120 Miller Drive
Longmont, Colorado 80501
(303) 678-0697

Stock Exchange(s): Tokyo

Number of Employees:

1990	115,012	1987	89,293
1989	104,583	1986	84,277
1988	94,825		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	¥2,549,773,000	¥ 86,758,000
1989	2,387,442,000	69,948,000
1988	2,046,802,000	42,115,000
1987	1,789,417,000	21,609,000
1986	1,691,826,000	38,926,000

	No. of Com. Shares	Earn. per Share ‡
1990	1,802,359,000	¥ 48.6
1989	1,760,068,000	40.1
1988	1,710,031,000	25.4
1987	1,593,307,000	13.8
1986	1,438,587,000	27.3

¥ = Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Computers & data proc. syst.	¥1,689,605,000	¥1,578,617,000
Communications systems	394,369,000	375,464,000
Electronic devices	356,794,000	334,316,000
Other	109,005,000	99,045,000
Total	¥2,549,773,000	¥2,387,442,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 9.0	—	—
1989	9.0	—	—
1988	8.0	—	—
1987	8.0	—	—
1986	8.0	—	—

Fujitsu Limited

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	¥1,085,128,000	¥ 596.11
1989	961,177,000	546.10
1988	827,023,000	483.63
1987	680,404,000	427.04
1986	636,339,000	442.34

Income Account *
(millions)

Year ended Mar. 31	1990	1989
Net sales	¥ 2,549,773	¥ 2,387,442
Cost of sales	1,578,343	1,527,908
Expenses	776,086	673,685
Interest expense	39,044	32,176
Interest income	(15,752)	(14,185)
Dividend income	(2,023)	(1,665)
Other expense	3,859	14,371
Income before taxes	¥ 170,216	¥ 155,152
Income taxes	99,102	97,462
Eq. in inc. of unconsol. subsid.	(21,216)	(18,709)
Minority interests	5,572	6,451
Net Income	¥ 86,758	¥ 69,948

* Included in Costs and Expenses: Depreciation ¥ 194,722,000,000 in 1990 and ¥ 160,635,000,000 in 1989.

Assets
(millions)

As of Mar. 31	1990	1989
Cash	¥ 133,899	¥ 156,404
Time deposits	128,029	148,762
Marketable securities	32,154	24,219
Accts. receiv., net	729,471	591,815
*Inventories	585,548	478,840
Other curr. assets	37,876	58,017
Current Assets	¥ 1,646,978	¥ 1,458,057
Investments	494,684	460,133
# Fixed assets	825,757	702,988
Intangibles	3,946	3,749
Total Assets	¥ 2,971,365	¥ 2,624,927

Liabilities
(millions)

	1990	1989
Short-term bank loans	¥ 368,162	¥ 329,772
Long-term debt, curr.	90,608	56,839
Accts. payable	338,093	338,121
Accruals	184,311	154,779
Cust. advances	35,720	9,935
Income taxes	88,406	63,535
Emp. savings deposits	66,855	58,155
Other current liabilities	111,254	89,441
Curr. Liabilities	¥ 1,283,409	¥ 1,100,577
Long-term debt	333,809	316,395
Accrued severance indemnities	51,063	45,462
Loss on repurch. of computers	126,857	123,634
Minority interest	90,199	77,682
+ Common stock	216,193	193,622
Add. paid-in capital	386,787	351,747
Legal reserve	15,658	14,050
Retained earnings	466,490	401,758
Total Liabilities & Shareholders' Equity	¥ 2,971,365	¥ 2,624,927

* At lower of cost (actual or moving average) or estimated realizable value
# Less accumulated depreciation
+ ¥ 50 par value

Statistical Summary

% Income bef. Taxes to Sales	6.68	6.50
% Net Income to Sales	3.40	2.93
% Net Income to Equity	8.00	7.28
Sales to Inventories	4.35	4.99
Debt to Equity	0.73	0.73
Working Capital (000's)	¥ 363,566,000	¥ 357,480,000
Current Ratio	1.28	1.32
Shareholders' Equity (000's)	¥1,085,128,000	¥ 961,177,000

Gandalf Technologies Inc.

130 Colonnade Road South
Nepean, Ontario K2E 7M4 Canada
(613) 723-6500
FAX: (613) 226-1717

Officers: Desmond Cunningham, chairman & chief executive officer; John S. Wandell, sr. v.p.-marketing; Jan Bartl, sr. v.p.-technology & products; James R. Newell, v.p.-finance & treasurer; Roger P. D'Hollander, v.p.-international markets development; Diane F. MacMillan, secretary

Directors: Desmond Cunningham, chairman; Alexander Curran; Charles J. Gardner; Donald Gibbs; David N. Koffsky; Patrick J. Suddick

Areas of Work: Designs, manufactures, markets and services a broad line of data and voice communications software and hardware products that permit users to communicate between computers from multiple vendors, terminals and other devices in networks ranging from local to wide area. The Company's principal products are network processors, intelligent data switches, transmission devices such as modems and multiplexers, sophisticated communications software including network monitoring, and bridge and gateway products that provide access to other networks and services.

Divisions and Subsidiaries:

Gandalf Data, Inc.
1020 South Noel Avenue
Wheeling, Illinois 60090
(312) 541-6060

Gandalf Digital Communications Limited
19 Kingsland Grange
Woolston, Warrington
Cheshire WA1 4RW, United Kingdom
(0925) 818484

Gandalf Europe
Kabelweg 37
1014 BA Amsterdam, The Netherlands
31 20 867611

Gandalf S.A.
1 Boulevard Charles de Gaulle
92700 Colombes, France

Gandalf Nederland B.V.
Kabelweg 37
1014 BA Amsterdam, The Netherlands
31 20 867611

Gandalf Pacific Pty. Ltd.
48 Chados Street, Suite 101-102
St. Leonards
New South Wales 2065, Australia
61-2-436-5977

Redifacts Ltd.
130 Colonnade Road South
Nepean, Ontario K2E 7J5, Canada
(613) 723-6500

Computer Dispatch Systems
177 Colonnade Road
N[illegible]an, Ontario K2E 7J5, Canada
[illegible] 226-5400

Transfer Agent(s):

The Royal Trust Company
Adelaide Street
P.O. Box 475
Toronto, Ontario M5C 9Z9 Canada

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081 U.S.A.

The Royal Trust Company
Royal Trust House
48/50 Cannon Street
London, EC4N 6LD, United Kingdom

Stock Exchange(s): Toronto, Over-the-Counter, London

Ticker Symbol: GAN (Toronto); GANDF (NASDAQ), London

Number of Employees:

1990	1,373	1987	1,416
1989	1,549	1986	1,361
1988	1,527		

Plant Footage:

1990	337,490 sq. ft.	1987	136,000
1989	154,000	1986	136,000
1988	154,000		

Sales & Earnings x

	Revenues +	Net Income #
1990	$ 161,656,000	$ (10,563,000)
1989	167,369,000	377,000
1988	160,648,000	9,403,000
1987	128,440,000	6,254,000
1986	105,295,000	3,339,000

	No. of Com. Shares ‡	Earn. per Share #‡
1990	12,190,890	$ —
1989	12,150,000	0.03
1988	12,104,000	0.78
1987	10,024,000	0.62
1986	9,954,000	0.34

(Loss)
x In Canadian dollars
+ Of continuing operations only
# Including extraordinary gain of $2,832,000 ($0.24 per share) in 1988
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues By Line of Business

	1990	1989
Product revenue	$ 137,525,000	$ 147,706,000
Service revenue	24,131,000	19,663,000
Total	$ 161,656,000	$ 167,369,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 77,999,000	$ 6.40
1989	86,222,000	7.09
1988	87,554,000	7.23
1987	62,109,000	6.20
1986	54,871,000	5.51

Income Account *
(000's)

Year ended July 31		1990		1989
Revenues	$	161,656	$	167,369
Cost of sales		65,713		67,406
Expenses				
Service		17,511		14,747
Selling & distr		50,387		51,364
Adm. & gen		14,870		13,390
Res. & develop		17,884		17,908
Investment incentives		(2,104)		(2,225)
Severance costs		1,489		470
Financial expenses (income)		1,621		653
Inc. (loss) bef. taxes	$	(5,715)	$	3,656
Income taxes		615		1,635
Write-down of invest		4,253		—
Eq. in loss of assoc. co		—		715
Inc. cont. oper	$	(10,583)	$	1,306
Loss-discont. oper		—		(929)
Net Income (Loss)	$	(10,583)	$	377

* Included in Costs and Expenses. Depreciation and Amortization: $8,477,000 in 1990 and $6,889,000 in 1989.

Assets
(000's)

As of July 31		1990		1989
Cash	$	3,437	$	1,835
Short-term deposit cert		6,147		2,006
Accts. receiv., net		42,268		49,689
*Inventories		27,237		28,230
Prepaid expenses		2,302		1,847
Current Assets	$	81,391	$	83,607
≠Fixed assets		31,180		34,138
Intangibles		6,419		7,443
Def. income taxes		5,355		3,424
Investment in sales-type lse		1,566		1,611
Other assets		1,640		3,369
Total Assets	$	127,551	$	133,592

Liabilities
(000's)

		1990		1989
Bank indebtedness	$	13,265	$	14,596
Long-term debt, curr		125		70
Accts. payable		8,916		8,056
Accruals		15,246		14,358
Income taxes		2,233		1,107
Deferred revenue		3,629		3,038
Curr. Liabilities	$	43,414	$	41,225
Long-term debt		6,139		6,145
+Common stock		43,233		42,924
Retained earnings		34,273		44,856
For. curr. trans. adjust		492		(1,558)
Total Liabilities & Shareholders' Equity	$	127,551	$	133,592

* At lower of cost (FIFO) and estimated net realizable value.
≠ Less accumulated depreciation.
+ No par value.

Statistical Summary

		1990		1989
% Net Income to Equity		—		0.44
Debt to Equity		0.25		0.24
Working Capital	$	37,977,000	$	42,382,000
Current Ratio		1.87		2.03
Shareholders' Equity	$	77,998,000	$	86,222,000

GAP Instrument Corp.

40 Oser Avenue
Hauppauge, New York 11788
(516) 273-0909
FAX (516) 273-0948

Officers: Alan G. Binnie, chairman and v.p.; Henry R. Hess, secretary & treasurer; Henry J. Torti, president.

Directors: Alan G. Binnie, chairman; Henry J. Torti; Joseph J. Langford; Henry R. Hess; Richard M. Goldfrank.

Areas of Work: Manufactures electromechanical and solid-state systems, electronic components and servo mechanisms, and test and simulation equipment for military and commercial purposes.

Transfer Agent(s):

Registrar & Transfer Co.
P.O. Box 436
Jersey City, New Jersey 07303

Stock Exchange(s): Over-the-Counter

Number of Employees:

1990	18	1987	24
1989	18	1986	32
1988	18		

Plant Footage:

1990	17,000 sq. ft.	1987	17,000
1989	17,000	1986	17,000
1988	17,000		

Sales & Earnings

		Net Sales		Net Income ‡
1990	$	766,551	$	(312,585)
1989		1,144,279		(187,106)
1988		1,198,319		(49,584)
1987		1,586,534		77,426
1986		1,576,376		59,725

	No. of Com. Shares		Earn per Share ‡ +
1990	2,034,353	$	—
1989	2,034,353		—
1988	2,034,353		—
1987	2,034,353		0.04
1986	2,034,353		0.03

(Loss)
‡ Including extraordinary gains of $42,920 in 1989 and $33,022 in 1988.
+ Based on the average number of shares outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	(183,220)	$	—
1989		129,365		0.06
1988		316,471		0.16
1987		366,055		0.18
1986		288,629		0.14

(Deficiency)

Income Account *

Year ended Dec. 31		1990		1989
Net sales	$	766,551	$	1,144,279
Cost of sales		709,509		944,851
Expenses		357,158		410,028
Interest expense		12,469		19,426
Net Loss	$	(312,585)	$	(230,026)
Extraord. gain				42,920
Net Loss & extraord. gain	$	(312,585)	$	(187,106)

* Included in Costs and Expenses. Depreciation: $4,072 in 1990 and $3,556 in 1989.

Assets

As of Dec. 31		1990		1989
Cash	$	25,551	$	45,428
Accts. receiv., net		71,129		155,981
Inc. tax refunds		—		42,920
*Inventories		164,681		242,132
Prepaid expenses		8,201		10,298
Current Assets	$	269,562	$	496,759
≠Fixed assets		24,984		14,146
Other assets		16,023		17,533
Total Assets	$	310,569	$	528,438

Liabilities

		1990		1989
Note payable	$	20,600	$	207,325
Advances pay. to officers		28,300		—
Accts. payable		127,260		106,733
Accruals		13,816		17,373
Accrued payroll & taxes		74,849		27,798
Due to officers		16,131		12,015
Curr. Liabilities	$	280,956	$	371,244
Long-term debt		195,439		—
Deferred officers' salaries		17,394		27,829
+Common stock		203,435		203,435
Add. paid-in capital		2,804,493		2,804,493
Accumulated deficit		(3,191,148)		(2,878,563)
Total Liabilities & Shareholders' Equity	$	310,569	$	528,438

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

		1990		1989
Sales to Inventories		4.65		4.73
Debt to Equity		—		1.60
Working Capital		—	$	125,515
Current Ratio		—		1.34
Shareholders Equity (Deficiency)	$	(183,220)	$	129,365

GenCorp Inc.

(Formerly the General Tire & Rubber Company)

175 Ghent Road
Fairlawn, Ohio 44333-3300
(216) 869-4200
FAX: (216) 869-4211

Officers: A. William Reynolds, chairman & chief exec. officer; Jack L. Heckel, president & chief operating officer; Roger I. Ramseier, v.p. & pres.-Aerojet; Charles R. Ennis, v.p. & gen. counsel; Robert L. Malcolm, v.p.-human resources; Charles R. Tilden, v.p.-communications; D. Michael Steuert, v.p.-finance and planning & treasurer; Marvin L. Isles, v.p. & pres.-Gencorp Automotive; James S. Marlen, v.p. & president-Gencorp Polymer Products; Russell A. Livigni, v.p. & dir.-research; Edward R. Dye, secretary & assistant general counsel; Celeste Michalski, vice president & controller.

Directors: A. William Reynolds, chairman; Gerald O'Neil; Paul J. Phoenix; James R. Stover; James M. Osterhoff; William B. Walsh; William F. Spitznagel; Paul X. Kelley; Jack L. Heckel; Harry A. Shaw, III; Gerald O'Neil; Robert K. Jaedicke.

Subsidiaries:

Aerojet-General
100 Blue Ravine Road
Folsom, California 95630
(916) 351-8500

Solid and liquid rocket propulsion systems, advanced munition systems, electronic sensor satellite systems.

GenCorp Automotive
350 Springside Drive
P.O. Box 3545
Akron, Ohio 44309-3545
(216) 668-7000

Molded fiber-reinforced plastics panels for vehicle bodies, vehicle sealing products, vibration control products, primarily for the original equipment automotive market.

GenCorp Polymer Products
350 Springside Drive
P.O. Box 3545
Akron, Ohio 44309-3545
(216) 668-7000

Commercial and residential wallcoverings, tennis and racquetball products, latex coatings and adhesives, plastic film and other plastic and rubber products.

Transfer Agent(s):

First Chicago Trust Company of New York
New York, New York

GenCorp Inc.
Fairlawn, Ohio

Stock Exchange(s): New York, Midwest

Ticker Symbol: GY

Number of Employees:

1990	13,900	1987	14,100
1989	15,100	1986	26,700
1988	15,600		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 1,775,000	$ 63,000
1989	1,938,000	210,000
1988	1,891,000	70,000
1987	1,619,000	475,000
1986	1,537,000	130,000

	No. of Com. Share ‡	Earn. per Share ‡
1990	31,730,736	$ 1.99
1989	31,730,920	6.61
1988	31,730,505	2.19
1987	48,138,812	9.87
1986	67,007,046	1.94

+ Of continuing opeations only
‡ Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Revenues by Line of Business
(000's)

	1990	1989
Aerojet	$ 878,000	$ 1,034,000
Automotive	436,000	433,000
Polymer products	461,000	471,000
Total	$ 1,775,000	$ 1,938,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.60	—	—
1989	0.60	—	—
1988	0.60	—	—
1987	0.50	—	3-for-1
1986	0.50	2%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 200,000,000	$ 6.30
1989	155,000,000	4.88
1988	(36,000,000)	—
1987	(97,000,000)	—
1986	1,048,000,000	15.64

(Deficiency)
‡ Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Income Account
(000's)

Year ended Nov. 30	1990	1989
Net sales	$ 1,775,000	$ 1,938,000
Cost of sales	1,458,000	1,618,000
Expenses	144,000	150,000
Depreciation	74,000	70,000
Interest income	(16,000)	(27,000)
Interest expense	62,000	67,000
Prov. for restructuring	(29,000)	52,000
Inc. bef. taxes	$ 82,000	$ 8,000
Income taxes	31,000	—
Inc.- cont. oper.	$ 51,000	$ 8,000
Inc.- discont. oper.	12,000	202,000
Net Income	$ 63,000	$ 210,000

Assets
(000's)

As of Nov. 30	1990	1989
Cash & short-term invest.	$ 31,000	$ 45,000
Accts. & notes receiv., net	145,000	264,000
*Inventories	183,000	214,000
Prepaid expenses	56,000	61,000
Current Assets	$ 415,000	$ 584,000
#Fixed assets	528,000	541,000
Investments & other assets	98,000	108,000
Net assets-discont. oper.	37,000	37,000
Total Assets	$ 1,078,000	$ 1,270,000

Liabilities
(000's)

	1990	1989
Notes payable	$ 2,000	$ 26,000
Accts. payable	100,000	120,000
Accrued compensation	59,000	58,000
Other liab. & accruals	122,000	121,000
Restruc. & other reserves	30,000	63,000
Income taxes	32,000	13,000
Net liab.-discont. oper.	20,000	47,000
Curr. Liabilities	$ 365,000	$ 448,000
Long-term debt	345,000	496,000
Other liabilities	168,000	171,000
+Common stock	3,000	3,000
Add. paid-in capital	1,000	1,000
Retained earnings	189,000	145,000
Cum. curr. trans. adjust.	7,000	6,000
Total Liabilities & Shareholders' Equity	$ 1,078,000	$ 1,270,000

* At lower of cost or market. Automotive & polymer prods. at LIFO; Aerojet at average cost; foreign operations at FIFO.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Net Income to Equity	31.50	135.48
Sales to Inventories	9.70	9.06
Debt to Equity	1.74	3.37
Working Capital	$ 50,000,000	$ 136,000,000
Current Ratio	1.14	1.30
Shareholders' Equity	$ 200,000,000	$ 155,000,000

General Automation, Inc.

1055 S. East Street
Anaheim, California 92805
(714) 778-4800
FAX: (714) 778-5539

Officers: Paul Thompson, chairman of the board; Leonard N. Mackenzie, vice chairman & president; Robert D. Bagby, v.p.-operations; Donald W.S. Rutherford, v.p.-finance & administration & chief financial officer; Sherwood A. King, v.p.-sales; Robert S. Kramer, v.p. & general mgr.-Maxial Systems.

Directors: Paul Thompson, Jr., chairman of the board; Andrew D. Darwin, Leonard N. Mackenzie, Philip T. Noden, Robert D. Bagby, Donald W.S. Rutherford, Paul L. Morigi, Larry Michels.

Areas of Work: Designs, develops, manufactures, and markets business-oriented, multi-user microcomputers and fault-tolerant, self-checking architecture multi-user microcomputers.

Subsidiaries:

General Automation, S.A.
France

General Automation, S.A.
Belgium

Aston Technology, Ltd.
Birmingham, England

Engaged in the specification, integration and marketing of business computer systems.

Transfer Agent(s):

Bank of America
Corporate Agency Division
55 So. Flower Street
Los Angeles, California 90071

Stock Exchange(s): American

Ticker Symbol: GA

Number of Employees:

1990	315	1987	400
1989	324	1986	370
1988	440		

Plant Footage:

1990	46,000 sq. ft.	1987	120,000
1989	48,000	1986	115,000
1988	98,000		

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 39,248,000	$ (221,000)
1989	41,448,000	(1,639,000)
1988	50,929,000	(11,044,000)
1987	42,825,000	1,637,000
1986*	29,141,000	2,140,000

	No. of Com. Shares	Earn. per Share ‡ +
1990	11,244,776	$ —
1989	8,844,776	—
1988	5,637,388	—
1987	5,455,930	0.33
1986*	3,296,336	0.74

(Loss)
* 11 months
‡ Including extraordinary gains of $594,000 in 1990, $348,000 in 1989, $769,000 in 1988, $1,086,000 ($0.21 per share) in 1987 and $10,129,000 ($3.29 per share) in 1986.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Computer systems	$ 20,871,000	$ 25,661,000
Service	18,377,000	15,787,000
Total	$ 39,248,000	$ 41,448,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 3,353,000	$ 0.30
1989	702,000	0.08
1988	(36,000)	—
1987	10,975,000	2.01
1986	130,000	0.04

(Deficiency)

Income Account *

Year ended June 30	1990	1989
Net sales	$ 39,248,000	$ 41,448,000
Cost of sales	24,952,000	25,074,000
Expenses	14,219,000	16,083,000
Prov. for dispos.	—	7,000
Eq. in inc. of SGA Pacific	(403,000)	—
Interest expense	963,000	1,212,000
Other expense (income)	(357,000)	716,000
Loss before taxes	$ (126,000)	$ (1,644,000)
Income taxes	689,000	343,000
Net Loss	$ (815,000)	$ (1,987,000)
Extraord. gain	594,000	348,000
Net Loss & extraord. gain	$ (221,000)	$ (1,639,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,297,000 in 1990 and $1,369,000 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 1,143,000	$ 1,987,000
Accts. receiv., net	10,191,000	9,186,000
*Inventories	7,255,000	6,564,000
Prepaid expenses	807,000	815,000
Current Assets	$ 19,396,000	$ 18,552,000
Invest. in affil.	1,810,000	—
≠ Fixed assets	913,000	1,408,000
Goodwill	184,000	2,532,000
Other assets	1,212,000	1,777,000
Total Assets	$ 23,515,000	$ 24,269,000

Liabilities

	1990	1989
Notes payable	$ 4,162,000	$ 3,485,000
Accts. payable	3,102,000	6,037,000
Adv. from customers	1,376,000	2,671,000
Accrued income taxes	525,000	946,000
Other accruals	2,778,000	3,915,000
Curr. Liabilities	$ 11,943,000	$ 17,054,000
Long-term debt	3,758,000	2,895,000
Accrued inc. taxes	3,384,000	3,584,000
Deferred income taxes	72,000	34,000
Deferred credits	1,005,000	—
+ Common stock	1,125,000	885,000
Add. paid-in capital	42,246,000	39,543,000
Deficit	(40,362,000)	(40,141,000)
Translation adjustments	344,000	415,000
Total Liabilities & Shareholders' Equity	$ 23,515,000	$ 24,269,000

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.10-par value

Statistical Summary

Sales to Inventories	5.41	6.31
Debt to Equity	2.36	9.09
Working Capital	$ 7,453,000	$ 1,498,000
Current Ratio	1.62	1.09
Shareholders' Equity	$ 3,353,000	$ 702,000

General Binding Corporation

(55.7% owned by Lane Industries, Inc.)

One GBC Plaza
Northbrook, Illinois 60062
(708) 272-3700
FAX: (708) 272-1389

Officers: William N. Lane, III, chairman; Rudolph Grua, president & chief exec. officer; Elliott L. Smith, exec. v.p.; John G. Lindroth, sr. v.p.-domestic sales; Joseph J. LaPorte, v.p.-corporate relations; Edward J. McNulty, v.p. & chief financial officer; Govi C. Reddy, sr. v.p., pres.-film products division; Walter M. Hebb, sr. v.p.-office products division; Steven Rubin, v.p., secretary & general counsel; Theodore Manakas, v.p.-international; Paul E. Wiedlin, v.p.-manufacturing.

Directors: Rudolph Grua, Arthur C. Nielsen, Jr., Warren R. Rothwell, Thomas V. Kalebic, William N. Lane, III, Leslie R. Graham, James M. Denny, Robert J. Stucker, Harry Bruce

Areas of Work: Engaged in the design, manufacture, and distribution of a broad line of business machines and related supplies which bind, laminate and shred printed materials. Also manufactures and distributes photo identification systems and ring elements for looseleaf binders.

Divisions and Subsidiaries:

U.S. RingBinder Corp.
New Bedford, Massachusetts

GBC Deutschland GmbH
Konigsbrunn, West Germany

GBC Australia Pty. Ltd.
Castle Hill, Australia

GBC Belgium N.V.
Belgium

GBC Espana
Spain

GBC Canada, Inc.
Don Mills, Ontario, Canada

GBC United Kingdom Limited
Basingstoke Hants, England

GBC France S.A.
Aulnay, France

GBC Nederland B.V.
Hoofdorp, The Netherlands

General Binding Corp. Italia S.p.A.
Tornaco, Italy

GBC Hi Tech (India) S.p.A.
India

GBC Japan K.K.
Noda, Japan

GBC Mexicana S.A. de C.V.
Mexico City, Mexico

GBC Schweiz A.G.
Wollerau, Switzerland

GBC New Zealand Ltd.
Auckland, New Zealand

U.S. Ringbinder (Singapore) Pte. Ltd.
Singapore

GBC Austria GmbH
GBC Belgium N.V.
GBC Espana
GBC Scandinavia A.B.

GBC Nuevo Laredo
Nuevo Laredo, Mexico
Manufactures stock plastic bindings and specialty looseleaf metals.

Loose Leaf Metals Co.
St. Louis, Mississippi
Manufactures and distributes standard three ring metals and specialty loose leaf metal elements to the binder industry.

Transfer Agent(s):

Harris Trust and Savings Bank
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GBND (NASDAQ)

Number of Employees:

1990	3,207	1987	3,099
1989	3,332	1986	3,049
1988	3,159		

N. A. - Not Available

Sales & Earnings

	Net Sales †	Net Income
1990	$ 303,670,000	$ 13,655,000
1989	283,691,000	20,105,000
1988	250,626,000	14,856,000
1987	212,005,000	10,873,000
1986	181,385,000	6,030,000

	No. of Com. Shares +	Earn. per Share +
1990	15,889,000	$ 0.86
1989	15,962,000	1.26
1988	16,077,000	0.92
1987	16,115,000	0.67
1986	16,302,000	0.37

† Of continuing operations only
+ Based on the average number of common shares outstanding adjusted to reflect stock splits

Revenues By Line of Business

	1990	1989	1988	1987
Business machines	27%	25%	26%	25%
Related supplies & other products	76	75	74	75
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.290	—	—
1989	0.274	—	3-for-2
1988	0.186	—	3-for-2
1987	0.130	—	3-for-2
1986	0.119	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 113,620,000	$ 7.16
1989	104,534,000	6.56
1988	92,163,000	5.77
1987	83,613,000	5.19
1986	71,516,000	4.45

‡ Adjusted to reflect stock splits.

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 303,670	$ 283,691
Cost of sales	156,600	145,307
Expenses	119,535	109,060
Restructuring	3,596	200
Interest expense	1,829	1,672
Other expense (income)	732	(1,311)
Income before taxes	$ 21,378	$ 28,763
Income taxes	7,723	8,658
Net Income	$ 13,655	$ 20,105

* Included in Costs and Expenses, Depreciation and Amortization: $7,439,000 in 1990 and $6,131,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equis	$ 22,442	$ 6,151
Receis., net	48,149	51,046
*Inventories	52,940	52,974
Prepaid income taxes	8,194	6,627
Other curr. assets	3,687	3,568
Current Assets	$ 135,412	$ 120,366
#Fixed Assets	46,298	43,982
Other assets	10,018	9,089
Total Assets	$ 191,728	$ 173,437

Liabilities
(000's)

Notes payable	$ 14,950	$ 11,121
Long-term debt, curr	312	252
Accts. payable	18,046	17,782
Accrued payroll	7,121	6,503
Accrued taxes	2,193	2,253
Def. income on maint. agree	6,572	5,962
Other accruals	12,256	7,197
Income taxes	2,191	1,951
Curr. Liabilities	$ 63,641	$ 54,021
Long-term debt	2,530	4,667
Cap. lease oblig	264	475
Other liab	3,708	2,044
Deferred inc. taxes	7,965	7,696
+Common stock	2,262	2,262
Add. paid-in capital	5,413	5,132
Retained earnings	118,546	109,498
Cum. trans. adjust	3,324	1,078
Treasury stock	(15,945)	(13,436)
Total Liabilities & Shareholders' Equity	$ 191,728	$ 173,437

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.125 par value

Statistical Summary

%Income bef. Taxes to Sales	7.04	10.14
%Net Income to Sales	4.50	7.09
%Net Income to Equity	12.02	19.23
Sales to Inventories	5.74	5.36
Debt to Equity	0.16	0.16
Working Capital	$ 71,771,000	$ 66,345,000
Current Ratio	2.13	2.23
Shareholders' Equity	$ 113,620,000	$ 104,534,000

General DataComm Industries, Inc.

1579 Straits Turnpike
Middlebury, Connecticut 06762-1299
(203) 574-1118
FAX (203) 758-8507

Officers: Charles P. Johnson, chairman of the board & chief executive officer; Ross A. Belson, president & chief operating officer; Frederick R. Cronin, v.p.-technology; Daniel E. Gottlieb, v.p.-U.S. sales; Robert S. Smith, v.p.-business development; William S. Lawrence, v.p.-finance & chief financial officer; James R. Arcara, v.p.-corporate operations; Dennis J. Nesler, v.p. & treasurer; Howard S. Modlin, secretary; Daniel L. Young, v.p.-marketing; Rick L. Mantz, v.p.-engineering; William G. Henry, corporate controller; August J. Hof, v.p.-manufacturing operations; Mary Monnet, v.p.-human resources.

Directors: Charles P. Johnson, chairman; Howard S. Modlin, Frederick R. Cronin, Lee M. Paschall

Areas of Work: Designs, produces, markets, installs, and services communications equipment and networks that transmit data, voice and video over private and public telecommunications facilities. Company-manufactured products include time division and statistical multiplexers, packet switches, a wide range of analog and digital data sets, and network control and diagnostic equipment to monitor and maintain communications systems.

Subsidiaries:

General DataComm, Inc.
DataComm Leasing Corporation
DataComm Service Corporation
General DataComm Limited (England)
General DataComm Ltd. (Canada)
General DataComm International Corporation
General DataComm Systems, Inc.
General DataComm Foreign Sales Corporation
GDC Realty Inc.
General DataComm Pty. Limited (Australia)
DataComm Service Corporation

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: GDC

Number of Employees:

1990	2,043	1987	2,598
1989	2,269	1986	2,519
1988	2,451		

Plant Footage:

1989	635,000 sq. ft.	1987	~892,000
1988	677,500		

Sales & Earnings

	Revenues	Net Income
1990	$ 201,546,000	$ 159,000
1989	201,218,000	(8,999,000)
1988	196,215,000	(18,406,000)
1987	206,889,000	783,000
1986	182,703,000	3,926,000

	No. of Com. Shares #	Earn. per Share #
1990	[illegible],047,000	$ 0.01
1989	14,734,000	—
1988	14,442,000	—
1987	15,033,000	0.05
1986	15,335,000	[illegible].26

( ) Loss
Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 57,758,000	$ 3.84
1989	55,291,000	3.75
1988	63,904,000	4.42
1987	82,739,000	5.50
1986	84,739,000	5.53

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended Sept. 30	1990	1989
Revenues		
Net prod. sales	$ 166,026,000	$ 167,483,000
Service revenue	28,908,000	27,733,000
Lease revenue	6,612,000	6,002,000
Total revenues	$ 201,546,000	$ 201,218,000
Cost of revenues	106,633,000	109,232,000
Expenses	88,562,000	93,389,000
Restruc. of oper.	3,199,000	5,265,000
Interest expense	4,370,000	4,173,000
Other income	(939,000)	(776,000)
Loss before taxes	$ (279,000)	$ (10,065,000)
Tax credit	(701,000)	(1,066,000)
Cum. effect of acct. change	263,000	—
Net Income (Loss)	$ 159,000	$ (8,999,000)

* Included in Costs and Expenses, Depreciation and Amortization: $15,115,000 in 1990 and $15,115,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equis	$ 2,182,000	$ 2,193,000
Accts. receiv., net	40,244,000	39,660,000
*Inventories	46,108,000	50,177,000
Other curr. assets	7,379,000	6,756,000
Current Assets	$ 96,313,000	$ 98,786,000
#Fixed assets	33,035,000	39,480,000
Cap. software develop. costs	10,387,000	6,667,000
Other assets	3,344,000	3,373,000
Total Assets	$ 142,879,000	$ 148,306,000

Liabilities

Notes payable	$ 3,489,000	$ 4,335,000
Accts. payable	10,628,000	7,167,000
Accrued payroll	6,158,000	6,111,000
Deferred income	4,073,000	3,556,000
Accrued restruc. costs	2,122,000	3,122,000
Other curr. liab	9,986,000	9,715,000
Curr. Liabilities	$ 36,456,000	$ 34,006,000
Bankers' acceptances	21,972,000	29,969,000
Notes payable	5,615,000	6,012,000
Deferred inc. taxes	2,021,000	2,766,000
Deferred income	14,781,000	17,446,000
Accrued restruc. costs	3,830,000	2,150,000
Other liabilities	446,000	666,000
+Common stock	1,620,000	1,590,000
Add. paid-in capital	47,296,000	46,331,000
Retained earnings	14,448,000	14,289,000
For. curr. trans. adjust	1,597,000	279,000
Treasury stock	(7,203,000)	(7,198,000)
Total Liabilities & Shareholders' Equity	$ 142,879,000	$ 148,306,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.10 par value

Statistical Summary

% Net Income to Sales	0.10	—
% Net Income to Equity	0.28	—
Sales to Inventories	3.60	3.34
Debt to Equity	0.54	0.73
Working Capital	$ 59,657,000	$ 64,780,000
Current Ratio	2.64	2.90
Shareholders' Equity	$ 57,758,000	$ 55,291,000

General Dynamics Corporation

Pierre Laclede Center
St. Louis, Missouri 63105-1861
(314) 889-8200
FAX (314) 889-8839

Officers: William A. Anders, chairman & chief exec. officer; James R. Mellor, president & chief operating officer; Herbert F. Rogers, vice chairman; Lester Crown, exec. v.p. & chairman-Material Service Corporation; Michael C. Keel, exec. v.p.-missiles & electronics; Russell W. Meyer, Jr., exec. v.p. & chairman-Cessna Aircraft Company; James E. Turner, Jr., exec. v.p.-marine, land systems & services; James J. Cunnane, sr. v.p. & chief financial officer; Robert H. Duesenberg, sr. v.p.-general counsel; D. Blaine Scheideman, sr. v.p.-contracts, pricing & international offset; Arch H. Rambeau, sr. v.p.-human resources; David J. Wheaton, v.p.-program development & planning; Alan M. Lovelace, v.p. & chairman-commercial launch services; C. Robert Stoker, v.p. & treasurer; David L. McPherson, v.p.-general mgr.-Air Defense Systems; Michael W. Wynne, v.p.-gen. mgr.-space systems; Gordon R. England, v.p.-general mgr.-land systems; B. Edward Ewing, v.p.-operations; John E. McSweeney, v.p. & gen. mgr.-Convair Division; George P. Psihas, v.p. & gen. mgr.-General Dynamics Services Company; Asaph H. Hall, v.p.-information systems & administrative services; E. Alan Klobasa, corp. secretary; Edward J. Stiften, corp. controller

Directors: William A. Anders, chairman; Herbert F. Rogers, Stanley C. Pace, Thomas G. Ayers, Lester Crown, Milton Falkoff, Harvey Kapnick, James R. Mellor, Russell W. Meyer, Jr., Elliot H. Stein, James S. Crown, David S. Lewis, Allen E. Puckett, Bernard W. Rogers, Cyrus R. Vance

Areas of Work: Design, engineering and manufacturing of military aircraft, missiles and gun systems, space systems and their related subassemblies and components, as well as the design and production of various defense electronic systems and products; design, engineering and manufacturing of submarines, tanks, land vehicles and support systems, and general aviation aircraft; production of commercial aircraft subassemblies and electric motors, commercial space launch vehicles and services; operation of Maritime Prepositioning Ships; production of building products, lime and the mining of coal

Divisions:

Air Defense Systems Division
10900 East Fourth Street
Rancho Cucamonga, California 91730-5905
(714) 945-7000

Convair Division
5001 Kearny Villa Road
San Diego, California 92123
(619) 573-8000

Data Systems Division
12101 Woodcrest Executive Drive
St. Louis, Missouri 63141
(314) 851-8900

Electric Boat Division
75 Eastern Point Road
Groton, Connecticut 06340
(203) 441-1000

Electronics Division
5011 Kearny Villa Road
San Diego, California 92123
(619) 573-6111

Fort Worth Division
General Dynamics Boulevard
Fort Worth, Texas 76101
(817) 777-2000

Land Systems Division
38500 Mound Road
Sterling Heights, Michigan 48310
(313) 825-4000

Space Systems Division
5001 Kearny Villa Road
San Diego, California 92123
(619) 573-8000

Subsidiaries:

American Overseas Marine Corporation
116 East Howard Street
Quincy, Massachusetts 02169
(617) 786-8300

Marblehead Lime Company
222 N. LaSalle Street
Chicago, Illinois 60601
(312) 263-4490

Material Service Corporation
222 N. LaSalle Street
Chicago, Illinois 60601
(312) 372-3600

Freeman United Coal Mining Company
111 Airway Drive
Marion, Illinois 62959
(618 997-4700

General Dynamics Services Co.
12101 Woodcrest Executive Drive
St. Louis, Missouri 63141
(314) 851-4050

Cessna Aircraft Company
Mid-Continent Airport
6330 Southwest Boulevard
Wichita, Kansas 67215
(316) 941-6000
Manufacture of general aviation aircraft

Transfer Agent(s):

General Dynamics Corporation
(common & preferred)
Pierre Laclede Center
St. Louis, Missouri 63105

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: GD

Number of Employees:

(at fiscal year end)

1990	98,100	1987	105,300
1989	102,200	1986	105,400
1988	102,800		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 10,173,000	$ (578,000)
1989	10,043,000	293,000
1988	9,551,000	294,000
1987	9,412,000	404,000
1986	8,959,000	12,000

	No. of Com. Shares	Earn. per Share #
1990	41,671,553	$ —
1989	41,579,300	7.01
1988	41,688,996	7.00
1987	41,924,750	9.47
1986	42,926,657	0.28

(Loss)
+ Of continuing operations only
# Based on the weighted average number of shares outstanding

Revenues By Line of Business
(000's)

	1990	1989
Gov't. aerospace	$ 5,817,000	$ 6,029,000
Submarines	1,731,000	1,679,000
Land systems	1,008,000	989,000
General aviation	716,000	601,000
Material serv. & resources	408,000	414,000
Other	493,000	331,000
Total	$ 10,173,000	$ 10,043,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.00	—	—
1989	1.00	—	—
1988	1.00	—	—
1987	1.00	—	—
1986	1.00	—	—

Common Stock Equity
(000's)

	Total Equity	Equity Per Share
1990	$ 1,510,000	$ 36.21
1989	2,126,000	51.13
1988	1,878,000	45.05
1987	1,642,000	39.17
1986	1,339,000	31.19

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 10,173,000	$ 10,043,000
Cost of sales & expenses	10,984,000	9,459,000
Interest expense	63,000	84,000
Other expense	114,000	52,000
Inc. (loss) bef. taxes	$ (988,000)	$ 445,000
Income taxes (credit)	(349,000)	155,000
Inc. (loss)-cont. oper.	$ (639,000)	$ 293,000
Inc.-discont. oper.	61,000	—
Net Income (Loss)	$ (578,000)	$ 293,000

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $378,000,000 in 1990 and $361,000,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 115,000	$ 14,000
Accts. receiv., net	388,000	417,000
Contracts in process	2,708,000	2,811,000
*Inventories	486,000	515,000
Notes & leases receiv. - finance oper.	137,000	128,000
Prepaid expenses	93,000	105,000
Current Assets	$ 3,927,000	$ 3,990,000
Notes & leases receiv. - finance oper.	469,000	459,000
#Fixed assets	1,556,000	1,813,000
Leased assets - finance oper.	94,000	87,000
Other assets	527,000	341,000
Total Assets	$ 6,573,000	$ 6,690,000

Liabilities
(000's)

Commercial paper	$ —	$ 194,000
Short-term oblig - finance oper	78,000	84,000
Accts pay & other accruals	2,517,000	1,643,000
Def income taxes	323,000	157,000
Curr Liabilities	$ 2,918,000	$ 2,078,000
Long-term debt	636,000	624,000
Long-term oblig - finance oper	424,000	392,000
Deferred inc taxes	4,000	640,000
Other liabilities	1,081,000	830,000
+Common stock	55,000	55,000
Add paid-in capital	25,000	25,000
Retained earnings	2,195,000	2,818,000
Treasury stock	(765,000)	(772,000)
Total Liabilities & Shareholders' Equity	$ 6,573,000	$ 6,690,000

• At lower of cost or market. Aviation inventories at LIFO; various other methods for all other inventories.
≠ Less accumulated depreciation, depletion and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	4.46
% Net Income to Sales	—	2.92
% Net Income to Equity	—	13.78
Sales to Inventories	20.93	19.50
Debt to Equity	0.75	0.61
Working Capital	$ 1,009,000,000	$ 1,912,000,000
Current Ratio	1.35	1.92
Shareholders' Equity	$ 1,510,000,000	$ 2,126,000,000

General Electric Company

3135 Easton Turnpike
Fairfield, Connecticut 06431
(203) 373-2431
FAX: (203) 373-3131

Officers: John F. Welch, Jr., chairman of the board & chief executive officer; Edward E. Hood, Jr., vice chairman & executive officer; James R. Bunt, v.p.; Dennis D. Dammerman, sr. v.p.-finance; Jack O. Peiffer, sr. v.p.-human resources; Frank P. Doyle, sr. v.p.-external & industrial relations; Walter L. Robb, sr. v.p.-research & development; Benjamin W. Heineman, Jr., sr. v.p., general counsel & secretary; Dale F. Frey, v.p. & treasurer, and chairman & pres.-General Electric Investment Corp.; Joyce Hergenhan, v.p.-public relations; Teresa M. LeGrand, v.p.-audit staff; Phillips S. Peter, v.p.-government relations; Arthur V. Puccini, v.p.-industrial relations; R. Michael Gadbaw, v.p. & senior counsel; Edward J. Skiko, v.p.-information technology; Richard U. Jelinek, v.p.-compensation & benefits; Gary M. Reiner, v.p.-business development; John M. Samuels, v.p. & sr. counsel-tax policy & planning; Susan M. Walter, v.p.-state government relations.

Directors: John F. Welch, Jr., chairman; H. Brewster Atwater, Jr., Richard T. Baker, Lawrence A. Bossidy, Silas S. Cathcart, Charles D. Dickey, Jr., Lawrence E. Fouraker, Paolo Fresco, Henry H. Henley, Jr., Henry L. Hillman, Edward E. Hood, Jr., David C. Jones, Robert E. Mercer, Gertrude G. Michelson, Barbara Scott Preiskel, Lewis T. Preston, Frank H. T. Rhodes, Andrew C. Sigler, Walter B. Wriston.

Areas of Work: Aerospace products and services span space sciences, radar systems, electronics and microelectronics, ordnance systems, avionics, computer software, space satellites, and simulation and control systems. Most aerospace sales are to agencies of the United States government, principally the Department of Defense and NASA.

Aircraft engines and replacement parts are manufactured and sold by GE for use in military and commercial aircraft, for use in naval ships and for use as industrial power sources. GE's military engines are used in a wide variety of aircraft that includes fighters, bombers, tranports and helicopters. GE also produces jet engines for executive aircraft and regional commuter airlines.

Consumer products include lighting products, which include a wide variety of lamps, incandescent, fluorescent, high-intensity, halogen and specialty as well as wiring devices and quartz products.

The industrial segment includes factory automation products, comprised of electrical and electronic products, including motors and motor-related products, consisting mainly of appliance motors and controls; electrical distribution and circuit protection equipment needed for installation in commercial, industrial and residential building; the GE Supply Company Division, which operates a nationwide network of electrical supply houses, transportation systems, which include diesel-electric and electric locomotives, transit propulsion equipment, motorized wheels for off-highway vehicles, and drilling drives.

The major appliance segment includes both GE and Hotpoint brands of kitchen and laundry equipment, such as refrigerators, ranges, microwave ovens, freezers, dishwashers, clothes washers and dryers, and room air conditioners.

The materials segment includes high-performance engineering plastics, silicones, superabrasives and laminates. This segment also includes Ladd Petroleum Corporation, an oil and natural gas developer and supplier.

The power systems segment provides products for the generation, transmission and distribution of electricity; industrial drives; and related construction, installation, engineering and repair services.

Technical products and services include medical systems and services, communications and information services, and the Calma Company. Medical systems include magnetic resonance (MR) scanners, computer tomography (CT) scanners, x-ray, nuclear imaging, ultrasound, and other diagnostic equipment and supporting services; principal communications operations involve the furnishing of domestic satellite communications services by RCA Americom and the furnishing of international communications services by RCA Globcom; mobile communications products consist mainly of mobile and hand-carried two-way and one-way radio equipment and cellular telephones; the Calma Company designs, manufactures and sells interactive graphics systems for computer-aided design and manufacturing.

GE is also involved in network television through the National Broadcasting Company, and in financial services through the General Electric Credit Corporation, Employers Reinsurance Corporation, and the 80%-owned Kidder, Peabody Group, Inc.

Principal Subsidiaries:

RCA Corporation
RCA American Communications (Americom)

General Electric Financial Services, Inc.
General Electric Credit Corporation
Employers Reinsurance Corporation
Kidder, Peadbody Group, Inc. (80% owned)

National Broadcasting Company
GE Computer Service
GE Information Services Company
GE Consulting Services
Calma Company

Roper Corporation
1905 West Court Street
Kankakee, Illinois 60901
Manufactures appliances, principally gas ranges.

Transfer Agent(s):

The Bank of New York
Church Street Station
P.O. Box 11002
New York, New York 10286

Stock Exchange(s): New York, Midwest*, Pacific*, Paris, Cincinnati, Philadelphia*, Boston, London, Tokyo
*Unlisted trading privileges.

Ticker Symbol: GE

Number of Employees:

1990	298,000	1987	302,000
1989	292,000	1986	359,000
1988	298,000		

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 58,414,000	$ 4,303,000
1989	54,574,000	3,939,000
1988	50,089,000	3,386,000
1987	48,158,000	2,915,000
1986	42,013,000	2,492,000

	No. of Com. Shares †	Earn. per Share ‡ †
1990	887,552,000	$ 4.85
1989	904,223,000	4.36
1988	901,780,000	3.75
1987	911,639,000	3.20
1986	912,594,000	2.73

‡ Including extraordinary loss of $62,000,000 ($0.07 per share) in 1987.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Aerospace	$ 5,614,000	$ 5,282,000
Aircraft engines	7,558,000	6,863,000
Major appliances	5,706,000	5,620,000
Broadcasting	3,236,000	3,392,000
Industrial	7,040,000	7,059,000
Materials	5,167,000	4,929,000
Power systems	5,804,000	5,129,000
Technical prods.	4,783,000	4,545,000
Earn. of GE Fin. Serv.	1,094,000	927,000
Other	275,000	319,000
Eliminations	(1,398,000)	(1,415,000)
GE Fin. Serv.	13,535,000	11,924,000
Total	$ 58,414,000	$ 54,574,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 1.920	—	—
1989	1.700	—	—
1988	1.460	—	—
1987	1.325	—	2-for-1
1986	1.185	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1990	$ 21,680,000	$ 24.43
1989	20,890,000	23.10
1988	18,466,000	20.48
1987	16,480,000	18.08
1986	15,109,000	16.56

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales & services	$ 42,951,000	$ 40,987,000
GE Fin. Serv. earned inc. from oper.	14,711,000	12,897,000
Other income	752,000	690,000
Total income	$ 58,414,000	$ 54,574,000

Cost of sales & services	31,384,000	29,700,000
Interest charges	7,392,000	6,591,000
Insur. policy holder losses & benefits	1,599,000	1,614,000
Prov. for losses on financing recevs	688,000	527,000
Other expense	11,122,000	10,355,000
Minority interest	82,000	84,000
Income before taxes	$ 6,147,000	$ 5,703,000
Income taxes	1,844,000	1,764,000
Net Income	$ 4,303,000	$ 3,939,000

• Included in Costs and Expenses, Depreciation, Depletion and Amortization: $2,508,000,000 in 1990 and $2,256,000,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 1,975,000	$ 2,258,000
Marketable securities	19,342,000	15,287,000
Secur. purch. under agree. to resell	23,408,000	16,020,000
Recevs., net	7,806,000	6,976,000
•Inventories	6,707,000	6,655,000
GE Fin. Serv. recevs	56,623,000	47,255,000
≠Fixed assets	16,631,000	15,646,000
Intangibles	9,333,000	8,822,000
Other assets	12,059,000	9,425,000
Total Assets	$ 153,884,000	$ 128,344,000

Liabilities
(000's)

Short-term borrowings	$ 42,920,000	$ 37,200,000
Accts. payable	7,051,000	6,666,000
Secur. sold under agree. to repurchase	27,824,000	16,555,000
Secur. sold but not yet purch.	5,324,000	4,090,000
Prog. collection	3,435,000	3,315,000
Dividends payable	445,000	426,000
Accruals	6,023,000	5,650,000
Long-term debt	21,043,000	16,110,000
Reserves of insur. affil.	5,566,000	5,032,000
Other liabilities	7,550,000	7,866,000
Def. inc. taxes	3,812,000	3,543,000
Minority interest	1,211,000	1,001,000
+Common stock	584,000	584,000
Add. paid-in capital	1,061,000	826,000
Retained earnings	22,959,000	20,352,000
Treasury stock	(2,924,000)	(872,000)
Total Liabilities & Shareholders' Equity	$ 153,884,000	$ 128,344,000

• At LIFO, not in excess of realizable values
≠ Less accumulated depreciation
+ $0.63 par value

Statistical Summary

% Income bef. Taxes to Sales	14.31	13.91
% Net Income to Sales	10.02	9.61
% Net Income to Equity	19.85	18.86
Debt to Equity	2.95	2.55
Shareholders' Equity (000's)	$ 21,680,000	$ 20,890,000

The General Electric Company, p.l.c.

1 Stanhope Gate
London W1A 1EH, England
01-493 8484

Officers: Lord Weinstock, chairman; M. R. Bates, deputy chairman; K. A. Bray, engines & systems; J. B. Cronin*, power systems; R. J. Davidson, power systems; J. D. Gadd, consumer products; C. S. Gaskell, electronic instruments; P. J. Gillibrand, press and publicity; P. G. Higgins, overseas operations; K. H. Hodgkinson, electronic metrology; O. S. Johnson*, wire and cables; M. Lester, legal; A. J. Lippitt*, export promotion; I. G. MacBean, electronics; Hon. Mrs. Sara Morrison, employee relations; A. J. Rogers, finance; D. B. Newlands, finance; G. H. Trollope, industrial relations; Hon. Simon Weinstock, commercial affairs; R. J. Williams, business development.

* Member of the Executive Committee

Directors: The Right Hon. Lord Prior, chairman; M. R. Bates, deputy managing director; Sir Kenneth Bond, vice chairman; Lord Catto, R. J. Davidson, S. Z. de Ferranti, J. D. Gadd, R. H. Grierson, M. Lester, Sir William Rees-Mogg, Hon. Mrs. Sara Morrison, E. T. Hall, F. Ross Johnson, I. G. MacBean, D. B. Newlands, D. Powell, D. H. Roberts, Hon. Simon Weinstock, Lord Weinstock, R. J. Williams.

Areas of Work: In the area of Electronic Systems and Components, the Company manufacture electronic warfare equipment, including artillery command and control systems, anti-aircraft turrets, aircraft head up displays, missile seekers, antisubmarine equipment, infra-red warning receivers, and software for Tornado systems and Upholder submarines, small mobile terminals for satellite communications; thermal imagers, high-frequency receivers, automatic cross connection equipment for digital line circuits, engineering workstations, printed circuit board test systems, photoplotters, cathode ray tubes, surge arresters, miniature magnetrons and hybrid integrated circuit packages, variable vacuum capacitors for medical equipment, UHF television klystons and thyratrons, television camera tubes, car aerial systems, and quartz crystal oscillators.

In the area of Telecommunications and Business Systems, the Company manufactures digital exchange equipment, transmission products, including optical fiber systems, microwave radio systems and associated equipment, PABX equipment, telephones, time control and security systems, computer systems and software, optical fiber cable, industrial coding products, plain-paper copiers, continuous forms printers, and electronic publishing systems. The Company also operates a private mobile radio network.

In the area of Automation and Control, the Company manufactures automatic guided vehicles, robots, mine winder drive systems, generation and propulsion systems and dynamic ship positioning systems for sea-going vessels, control towers, industrial microprocessor-based controllers, drives and controls for the automotive industry, a full range of weighing, printing, point-of-sale and computer equipment and systems for retailers, industrial platform scales, indicators and laboratory balances and computer-linked weighing systems, materials testing machines, electronic drum and container liquid filling systems for the petro-chemical industry, protective relays and telecontrol equipment for the railroad industry, electronic relays to protect power transformers, busbars and small generators; building management systems, meters, airbridges, lifting beams, card-operated electronic parking meters, automatic vehicle location systems, traction gears, marine gearboxes, steam and gas turbine generator units, relays and control panels, indigenous disturbance recorders, static distance pro-static busbar protection equipment, and offset printing products.

Medical equipment includes computer tomography scanners, magnetic resonance imaging equipment, and mobile X-ray systems.

Power Generation equipment includes gas and steam turbine generators, remote handling equipment for active waste, digital control equipment, fishing boat and diesel engines.

In the areas of Electrical Equipment and Consumer Products, the Company manufactures transmission switchgear, including circuit breakers, current transformers, busbars and disconnectors; distribution and power transformers; submarine cables for power and telecommunications, ship wiring cables, cable accessories and a range of cross-linkable compounds for use in cable making and for other industrial applications, propulsion systems, locomotives, a variety of motors, boiler units, current-controlled industrial AC drives, and appliances.

The Company also engages in Distribution and Trading and Research and Development activities.

Divisions and Subsidiaries:

ELECTRONIC SYSTEMS AND COMPONENTS

SYSTEMS

GEC Avionics Ltd. The Marconi Company Ltd

Navigation Group
Dynamics Group
Sensors Group
Airborne Radar Group
GEC Avionics Inc., USA
Marconi Command and Control Systems Ltd
Marconi Defence Systems Ltd
Marconi Space Systems Ltd
Marconi Underwater Systems Ltd
Marconi Radar Systems Ltd
Marconi Communication Systems Ltd
Marconi Instruments Ltd
Easams Ltd
The Marconi International Marine Co. Ltd
Canadian Marconi Company (51.6% Ordinary)
Marconi Italiana SpA, Italy
Cincinnati Electronics Corporation, USA
Yarrow Shipbuilders Ltd
GEC Australia Ltd. (Electronics Group)
Adret

COMPONENTS

Marconi Electronic Devices Ltd
Circuit Technology Inc., USA
English Electric Valve Co. Ltd
EEV Inc., USA
EEV Canada Ltd
Salford Electrical Instruments Ltd
GEC Ceramics Ltd

TELECOMMUNICATIONS AND BUSINESS SYSTEMS

GEC Plessey Telecommunications Holdings Ltd. (50%-owned)
A.B. Dick Company, USA
Videojet Systems International Inc.
Scriptomatic Inc., USA
IGX Corporation (ITEK Graphix)
Cheshire

AUTOMATION AND CONTROL

GEC Electrical Projects Ltd
GEC Industrial Controls Ltd
GEC Automation Projects Inc., USA
W. & T. Avery Ltd
Avery-Denison Ltd
Driver Southall Ltd
Avery Australia Ltd
Avery New Zealand Ltd
South African Scale Co. (Pty) Ltd
Avery-Hardoll Ltd
PM Services Ltd
GEC Measurements Ltd
GEC Meters Ltd
Satchwell Control Systems Ltd
GEC Mechanical Handling Ltd
GEC Traffic Automation Ltd
GEC Marine & Industrial Gears Ltd
GEC Australia Ltd. (Automation, Projects and Construction Divisions)
The English Electric Company of India Ltd. (66.7% Ordinary)
(Relays and Control Panels Division)
GEC Composants SA, France
GEC Software Ltd

MEDICAL EQUIPMENT

Picker International Inc., USA
Picker International Ltd

POWER GENERATION

GEC Turbine Generators Ltd
GEC Energy Systems Ltd
Ruston Gas Turbines Ltd
GEC Diesels Ltd
Ruston Diesels Ltd
Paxman Diesels Ltd
Kelvin Diesels Ltd
Napier Turbochargers Ltd
Ruston Gas Turbines Inc., USA
GEC Diesels Inc., Canada
GEC Australia Ltd. (Diesels Division)

ELECTRICAL EQUIPMENT

Power Distribution Group
GEC Switchgear Ltd
GEC Distribution Switchgear Ltd
GEC Transmission and Distribution Project Ltd
Vacuum Interrupters Ltd
GEC Installation Equipment Ltd
Vynckier NV, Belgium
GEC Transformers Ltd
The Micanite & Insulators Company Ltd

The General Electric Company, p.l.c.

The General Electric Company of India Ltd. (66.7% Ordinary)
The English Electric Company of India Ltd. (66.7% Ordinary)
(Fusegear and Switchgear Division)
GEC Australia Ltd. (Heavy Engineering and Industrial Products Division)
Wire & Cables Group
AEI Cables Ltd.
Power Cables
Rubber and Plastic Cables
F.D. Sims Ltd.
Kent Electric Wire Ltd.
Rodco Ltd. (60% Ordinary)
Vactite Ltd.
GEC Traction Ltd.
GEC Transportation Projects Ltd.
GEC-General Signal Ltd. (50% Ordinary)
GEC Large Machines Ltd.
GEC Small Machines Ltd.
The Express Lift Co. Ltd.
Woods of Colchester Ltd.
GEC Engineering (Accrington) Ltd.
GEC Reinforced Plastics Ltd.
GEC Foundries Ltd.
A.G. Hackney & Co. Ltd.
L. H. Marthinusen (Pvt) Ltd., Zimbabwe
GEC (New Zealand) Ltd.
(Industrial Machines and Power Engineering Divisions)

CONSUMER PRODUCTS

Hotpoint Ltd.
GEC (Radio & Television) Ltd.
Redring Electric Ltd.
Canon Industries Ltd.
GEC-Xpelair Ltd.
OSRAM-GEC Ltd. (51% Ordinary)

Gilbarco Inc.
Manufactures and supplies fuel dispensing equipment and related products and services for the motor vehicle fuel retailing industry.

Lear Astronics Corp.
Designs, develops and manufactures advanced flight control systems and remotely piloted vehicles.

Developmental Sciences Corp.
Designs, develops and manufactures advanced flight control systems and remotely piloted vehicles.

UDI Group Ltd.
Manufactures sonar equipment and provides underwater television and communications, trenching, cable laying and survey services.

Registrar and Transfer Office:

The General Electric Company, p.l.c.
Coppenhall, Stafford ST18 9BN, England
(0785) 51446

Stock Exchange(s): London

Number of Employees:

1990	107,435	1987	159,579
1989	145,029	1986	164,536
1988	157,262		

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1990	£ 5,254,000	£ 682,800
1989	5,878,000	522,400
1988	5,553,000	444,900
1987	5,247,000	415,000
1986	5,251,000	453,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	2,688,094,666	20.2p
1989	2,668,344,414	19.1
1988	2,667,780,968	16.9
1987	2,666,430,170	15.8
1986	2,669,018,702	16.0

£ - pound sterling
† Including extraordinary items.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Electronic systems	£ 2,219,000	£ 2,033,000
Power systems	2,606,000	1,354,000
Telecommunications	909,000	569,000
Consumer goods	276,000	557,000
Electronic metrology	501,000	391,000
Office equip. & printing	387,000	364,000
Medical equip.	447,000	418,000
Electronic components	336,000	275,000
Industrial apparatus	374,000	300,000
Distribution & trading	345,000	242,000
Other	311,000	303,000
Intra-group sales	(276,000)	(359,000)
Total	£ 8,235,000	£ 6,447,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	9.25p	—	—
1989	7.80	—	—
1988	6.50	—	—
1987	5.30	—	—
1986	4.30	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	£ 2,327,800	86.6p
1989	2,986,900	111.9
1988	2,715,000	101.8
1987	2,895,000	108.6
1986	2,614,000	97.9

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Mar. 31	1990	1989
Net sales	£ 5,253,800	£ 5,878,100
Work capitalized	20,300	12,400
Other income	87,500	67,900
Total income	£ 5,361,600	£ 5,958,400
Increase in stocks	(11,200)	(13,500)
Cost of sales	1,791,600	2,177,500
Staff costs	1,758,200	1,901,100
Depreciation	207,600	222,800
Rent exp.	34,400	28,000
Auditors' exp.	4,200	4,100
Other charges	1,051,700	1,065,500
Share of profits of joint venture assoc. co.	(145,500)	(79,400)
Share of profits of assoc. cos.	(20,000)	(14,200)
Inc. from invest.	(10,700)	(11,900)
Share of interest of joint venture assoc. cos.	(41,400)	6,400
Interest expense	34,200	22,200
Interest income	(163,600)	(146,900)
Income bef. taxes	£ 872,100	£ 796,700
Income taxes	309,200	278,100
Minority interests	19,800	8,400
Net Income	£ 543,100	£ 510,200
Extraord. gain	139,700	12,200
Net Income & extraord. gain	£ 682,800	£ 522,400

Assets
(000's)

As of Mar. 31	1990	1989
Cash	£ 544,100	£ 937,300
Investments	329,500	282,300
Accts. receiv., net	1,786,700	1,548,300
*Stocks	1,503,900	1,393,600
Current Assets	£ 4,164,200	£ 4,161,500
Investments	718,000	527,600
#Fixed assets	1,068,400	927,300
Total Assets	£ 5,950,600	£ 5,616,400

Liabilities
(000's)

	1990	1989
Debenture loans	£ 4,100	£ 19,300
Long-term debt, curr.	183,200	104,000
Other loans	289,100	—
Cap. lease oblig., curr.	15,300	—
Payments received	434,300	386,200
Accts. payable	616,000	739,200
Other creditors	151,100	80,300
Amts. owed to assoc. cos.	36,700	18,300
Accruals & deferred inc.	278,700	224,600
Income taxes	217,500	188,500
Other taxes	99,800	100,000
Proposed dividend	180,700	150,900
Curr. Liabilities	£ 2,506,500	£ 2,011,300
Debenture loans	39,800	31,600
Long-term debt	116,900	29,900
Cap. lease oblig.	29,900	100
Payment received	116,000	103,100
Trade creditors	1,000	—
Minority interest	236,400	91,300
Deferred income	37,000	37,100
Deferred inc. taxes	—	6,900
Other liabilities	539,300	318,200
+Common stock	134,800	133,500
Add. paid-in cpaital	~~66,400~~	16,700
Reserves	4,000	4,000
Profit & loss accts.	2,122,500	2,832,700
Total Liabilities & Shareholders' Equity	£ 5,950,600	£ 5,616,400

* At lower of cost and estimated net realizable value.
# Less accumulated depreciation.
+ 5p par value.

Statistical Summary

% Income bef. Taxes to Sales	16.60	13.55
% Net Income to Sales	10.34	8.89
% Net Income to Equity	23.33	17.49
Sales to Inventories	3.49	4.22
Debt to Equity	0.29	0.06
Working Capital	£1,657,700,000	£2,150,200,000
Current Ratio	1.66	2.07
Shareholders' Equity	£2,327,800,000	£2,986,900,000

General Instrument Corporation

(A private company)

Executive Offices
767 Fifth Avenue
New York, New York 10153-0082
(212) 207-6200
FAX (212) 207-6341

Administrative Offices
125 Chubb Avenue
Lyndhurst, New Jersey 07071
(201) 507-3000

Officers: Frank G. Hickey, chairman and chief executive officer; George E. Safiol, president & chief operating officer; Anthony J. Aukstikalnis, v.p.; Christopher F. Sutphin, v.p.; Richard M. Hoffman, v.p., general counsel & secretary; Thomas C. DeFazio, v.p.-finance, chief financial officer & treasurer; Edward R. Kearney, v.p.-investor relations & communications; Stephen A. Davidson, v.p.-personnel & organization; Roger L. Heffernan, v.p.-manufacturing; Richard S. Friedland, v.p. & controller; Harold M. Krisbergh, v.p.; Matthew D. Miller, v.p.-technology; Richard C. Smith, v.p.; Lemuel A. Tarshis, v.p.; Eugene A. Weisberger, v.p.

Directors: Martin C. Barell*, John C. Archibald*, Thomas L. Kempner*, Richard S. Rosenbloom, Richard N. Rosett, Frank G. Hickey*, Joe B. Cordell*, Jacob E. Goldman, Frank M. Drendel, George E. Safiol, Harold Rapaport.

* Member of the Executive Committee

Areas of Work: The Company's major business segments are Broadband Communications, Data Systems and Component Products. Broadband Communiations offers a variety of products and services for the cable television industry, including active and passive electronics, subscriber terminals, coaxial cable used in CATV systems, encryption/decryption equipment for the scrambling and descrambling of satellite television programming, and other broadband communications products. The primary products and services of Data Systems are military electronics systems and data processing systems and services for the wagering industry. Component Products include power supplies and discrete semiconductors.

Divisions and Subsidiaries:

Component Products

Computer Products Division
Juarez, Mexico (Headquarters)
El Paso, Texas

Power Semiconductor Division
Hicksville, New York (Headquarters)
Taipei, Taiwan

Broadband Communications

Jerrold Distribution Systems Division
Hatboro, Pennsylvania (Headquarters)
Nogales, Mexico; Tuscon, Arizona
Slough, England
Toronto, Ontario, Canada

Jerrold Subscriber Systems Division
Hatboro, Pennsylvania (Headquarters)
Taipei, Taiwan
Dallas, Texas
Matamoros, Mexico

Comm/Scope Division
Hickory, North Carolina (Headquarters)
Catawba, North Carolina

VideoCipher Division
San Diego, California (Headquarters)
Hickory, North Carolina
Barceloneta, Puerto Rico

Data Systems

Worldwide Wagering
Hunt Valley, Maryland (Headquarters)

AmTote Division
Hunt Valley, Maryland

Lottery Division
Hunt Valley, Maryland

Defense Systems Group

Government Systems Division
Hicksville, New York (Headquarters)
Norfolk, Virginia

Undersea Systems
Westwood, Massachusetts

Northern Scientific Laboratory
Livingston, New Jersey

Dalmo Victor
(formerly a division of The Singer Company)
Belmont, California
Grants Pass, Oregon

Designs, develops, manufactures and markets radar threat warning systems and other surveillance systems.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: GRL

Number of Employees:

1990	14,200	1988	15,400
1989	15,900	1987	16,300

Plant Footage:

1990	1,950,200 sq. ft.	1988	2,508,800
1989	2,100,000	1987	2,828,500

Sales & Earnings

	Revenues † (000's)	Net Income (000's)
1990	$ 1,377,344	$ 98,690
1989	1,304,733	85,547
1988	1,155,460	66,220
1987	787,862	(80,377)
1986	612,400	(66,543)

	No. of Com. Shares ≠	Earn. per Share ≠
1990	30,155,000	$ 2.93
1989	33,567,000	2.55
1988	32,886,000	2.01
1987	32,255,000	—
1986	32,105,000	—

( ) Loss
† Of continuing operations only.
≠ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Broadband comm.	$ 817,038	$ 783,913
Data systems	318,244	220,959
Component products	242,062	299,861
Total	$ 1,377,344	$ 1,304,733

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.50	—	—
1989	0.44	—	—
1988	0.25	—	—
1987	0.25	—	—
1986	0.25	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 484,991,000	$ 17.58
1989	631,976,000	18.63
1988	550,992,000	16.45
1987	467,522,000	14.35
1986	550,387,999	16.98

Income Account *

Year ended Feb. 28	1990	1989
Revenues	$ 1,377,344,000	$ 1,304,733,000
Cost of revenues	1,006,311,000	958,881,000
Expenses	218,322,000	219,564,000
Invest. income	(22,157,000)	(19,582,000)
Interest expense	21,848,000	15,687,000
Other expense (income)	1,593,000	(6,764,000)
Inc. bef. taxes	$ 151,427,000	$ 136,947,000
Income taxes	53,200,000	51,400,000
Minority interest	9,825,000	—
Inc.-cont. oper.	$ 88,402,000	$ 85,547,000
Inc.-discont. oper.	10,288,000	—
Net Income	$ 98,690,000	$ 85,547,000

* Included in Costs and Expenses, Depreciation and Amortization: $91,336,000 in 1989 and $83,401,000 in 1988.

Assets

As of Feb. 28	1990	1989
Cash & cash equiv.	$ 180,858,000	$ 277,724,000
Accts. receiv., net	234,764,000	221,691,000
*Inventories	91,348,000	105,992,000
Deferred inc. taxes	13,281,000	16,985,000
Prepaid expenses	8,922,000	10,886,000
Current Assets	$ 529,177,000	$ 633,278,000
≠Fixed assets	249,964,000	251,323,000
Intangibles	218,179,000	232,974,000
Cost in exc. of assets acq.	144,969,000	143,827,000
Other assets	31,698,000	31,745,000
Assets held for sale	—	16,216,000
Total Assets	$ 1,173,983,000	$ 1,309,363,000

Liabilities

	1990	1989
Accts. payable	$ 134,836,000	$ 123,523,000
Long-term debt, curr.	10,000,000	10,000,000
Accruals	185,547,000	190,085,000
Income taxes	2,564,000	2,830,000
Curr. Liabilities	$ 332,947,000	$ 326,438,000
Long-term debt	230,300,000	232,500,000
Deferred income taxes	43,273,000	38,773,000
Other liabilities	82,472,000	79,676,000
•Common stock	27,582,000	33,914,000
Add. paid-in capital	110,288,000	239,464,000
Cum. trans. adjust.	(230,000)	1,336,000
Emp. notes for stock purch.	(1,430,000)	(1,509,000)
Retained earnings	348,781,000	358,771,000
Total Liabilities & Shareholders' Equity	$ 1,173,983,000	$ 1,309,363,000

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
• $1 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Revenues	—	10.50
% Net Income to Revenues	—	6.56
% Net Income to Equity	20.35	13.54
Debt to Equity	0.50	0.38
Working Capital	$ 196,226,000	$ 306,840,000
Current Ratio	1.59	1.94
Shareholders' Equity	$ 484,991,000	$ 631,976,000

General Kinetics Incorporated

12300 Parklawn Drive
Rockville, Maryland 20852-1775
(301) 881-2044
FAX: (301) 881-3019

Officers: Thomas L. Herb, chairman; Richard A. Thompson, president & chief operating officer; Louis R. Schap, chief exec. officer; Steven A. Rogers, sr. vice president; Stanley J. Sarnowski, sr. v.p.-treasurer & secretary; Connie M. Neagle, asst. secretary.

Directors: Thomas L. Herb, chairman; Stanley J. Sarnowski; Louis R. Schap; John B. Gunter; S. Goran Stackig; Steven A. Rogers; Richard A. Thompson; David A. Shaw.

Areas of Work: Manufactures, sells and rents magnetic tape equipment; engaged in the development of secure communications equipment and encryption devices; also manufactures electronic enclosures, sheet metal components, and food testing and processing systems.

Divisions:

Media Division
12300 Parklawn Drive
Rockville, Maryland 20852
(301) 881-2044
Provides equipment and service for testing, winding, degaussing and certifying magnetic tape (including high-density tape) and other magnetic media.

Electronic Enclosure Division
110 Sunray Drive
Johnstown, Pennsylvania 15905
(814) 255-6891

11205 Satellite Boulevard
Orlando, Florida 32821
(407) 859-2040

Subsidiaries:

Food Technology Corporation
12300 Parklawn Drive
Rockville, Maryland 20852
(301) 881-2044
Manufactures testing, quality-control and automated processing equipment for the food and related industries.

Cryptek Secure Communications Division
480 Spring Park Place
Suite 1000
Herndon, Virginia 22070
(703) 478-9444
Engaged in developing secure communications equipment and encryption devices for the TEMPEST marketplace.

Transfer Agent(s):

Security Trust
B&O Building, 4th floor
Baltimore & Charles Streets
Baltimore, Maryland 21202

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GKIE (NASDAQ)

Number of Employees:

1990	220	1987	200
1989	240	1986	202
1988	200		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 18,329,994	$ 898,319
1989	11,178,313	(1,476,990)
1988	7,034,839	(855,576)
1987	10,430,235	564,278
1986	10,402,570	520,225

	No. of Com. Shares	Earn. per Share #
1990	843,927	$ 1.03
1989	843,927	—
1988	904,927	—
1987	911,927	0.62
1986	930,427	0.57

(Loss)
Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Electronic enclosure prods.	$ 8,328,676	$ 8,477,298
SCE precision equip.	8,363,114	1,078,898
Food processing prods.	1,336,828	1,305,804
Media services	401,705	392,182
Adjustments	(100,329)	(75,669)
Total	$ 18,329,994	$ 11,178,313

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 1,968,429	$ 2.33
1989	967,710	1.15
1988	2,497,887	2.76
1987	3,362,119	3.69
1986	2,868,441	3.08

Income Account *

Year ended May 31	1990	1989
Net sales	$ 18,329,994	$ 11,178,313
Cost of sales	12,850,531	9,027,862
Expenses	4,087,447	3,829,640
Interest expense	369,803	301,852
Greenmail expense	—	87,500
Other expense	13,754	62,317
Inc. (loss) bef. taxes	$ 1,008,459	$ (2,130,858)
Income taxes (credit)	110,140	(653,868)
Net Income (Loss)	$ 898,319	$ (1,476,990)

* Included in Costs and Expenses, Depreciation and Amortization: $289,397 in 1990 and $293,181 in 1989.

Assets

As of May 31	1990	1989
Cash	$ 328,509	$ 305,758
Accts. receiv., net	3,318,240	1,744,901
*Inventories	2,508,640	1,746,673
Refund inc. taxes	—	653,868
Prepaid expenses & other receiv.	24,282	16,596
Current Assets	$ 6,179,677	$ 4,467,798
#Fixed assets	1,756,226	1,737,818
Other assets	192,384	191,981
Total Assets	$ 8,128,287	$ 6,397,597

Liabilities

Demand notes pay.	$ 740,000	$ 2,210,680
Long-term debt, curr.	160,625	129,978
Accts. payable	1,178,921	1,061,508
Other accruals	1,228,798	866,896
Curr. Liabilities	$ 3,308,344	$ 4,269,062
Long-term debt	2,409,957	692,327
Other liab.	441,557	178,498
Redeem. common stock	—	100,000
+Common stock	275,436	275,436
Add. paid-in capital	1,324,167	1,221,767
Retained earnings (deficit)	719,415	(178,904)
Treasury stock	(350,589)	(350,589)
Total Liabilities & Shareholders' Equity	$ 8,128,287	$ 6,397,597

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.25 par value

Statistical Summary

% Income bef. Taxes to Sales	5.50	—
% Net Income to Sales	4.90	—
% Net Income to Equity	45.64	—
Sales to Inventories	7.31	6.40
Debt to Equity	1.68	3.12
Working Capital	$ 2,871,333	$ 198,736
Current Ratio	1.87	1.05
Shareholders' Equity	$ 1,968,429	$ 967,710

General Microwave Corporation

5500 New Horizons Boulevard
Amityville, New York 11701
(516) 226-8900
FAX: (516) 226-8966

Officers: Frederick Zissu, chairman of the board; Sherman A. Rinkel, president; Bernard Grand, v.p.-engineering; Howard Cohen, v.p.-manufacturing; Moe Wind, sr. v.p.-treasurer & asst. secretary; Michael Stolzar, secretary & asst. treasurer; Yonah Adelman, v.p. & gen. mgr.-General Microwave Israel (1987) Ltd.; Michael Linz, pres.-General Microcircuits Corporation.

Directors: Frederick Zissu, chairman; Winton Charlop; Sherman A. Rinkel; Moe Wind; Leo C. Cunniff; Arthur D. Friedman; Stanley Simon.

Areas of Work: The Company designs, manufactures, and sells microwave measuring and control component devices for use in radar systems and in point-to-point communication as used in aircraft, air traffic control, missiles and telephone and telemetry systems, as well as its own line of precision measuring and testing equipment for use in laboratories and production lines by manufacturers of microwave components and systems.

Division:

Microwave Division
Amityville, New York
Develops and manufactures PIN diode products, RF power measuring equipment, and radiation detectors.

Subsidiaries:

Micro-El Patent Corporation
Wilmington, Delaware

General Microwave Foreign Sales Corporation
Amityville, New York

General Microwave Israel Corporation
Jerusalem, Israel

General Microcircuits Corp. (80% owned)
Billerica, Massachusetts
Development and manufacture of high reliability hybrid circuits and thin film resistor networks, largely for military applications.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: GMW

Number of Employees:

1990	199	1987	351
1989	275	1986	N.A.
1988	304		

N.A. - Not Available

Plant Footage:

1990	80,000 sq. ft.	1988	80,000
1989	80,000		

Sales & Earnings

	Net Sales	Net Income *
1991	$ 19,984,388	$ 1,412,965
1990	21,005,875	504,010
1989	18,784,362	(560,756)
1988	20,769,012	888,645
1987	20,496,612	817,591

	No. of Com. Shares ‡	Earn. per Share *‡
1991	1,415,977	$ 1.00
1990	1,403,539	0.36
1989	1,399,457	—
1988	1,444,645	0.62
1987	1,485,989	0.55

* Including extraordinary gain of $288,600 ($0.20 per share) in 1990.
‡ Based on the average number of shares outstanding.

Revenues by Line of Business

	1991	1990
Microwave components	$ 13,507,318	$ 13,294,956
Power measuring instruments	3,128,587	5,107,686
Hybrid microcircuits	2,425,338	1,577,363
Other	923,145	1,025,870
Total	$ 19,984,388	$ 21,005,875

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ —	—	—
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1991	$ 15,223,228	$ 10.75
1990	14,065,602	10.02
1989	13,673,438	9.77
1988	14,359,940	9.94
1987	14,175,974	9.54

‡ Based on the average number of shares outstanding.

Income Account*

Year ended Feb. 28	1991	1990
Net sales	$ 19,984,388	$ 21,005,875
Cost of sales	11,581,737	13,616,069
Expenses	6,481,926	6,132,762
Interest expense	311,657	729,810
Dividend income	(217,734)	(270,201)
Interest income	(76,413)	(27,180)
Other expense	105,290	96,585
Income before taxes	$ 1,625,965	$ 728,010
Income taxes	501,600	224,000
Net Income	$ 1,124,365	$ 504,010
Extraord. gain	288,600	—
Net Income & extraord. gain	$ 1,412,965	$ 504,010

* Included in Costs and Expenses, Depreciation and Amortization: $1,173,839 in 1991 and $1,299,866 in 1990.

Assets

As of Feb. 28	1991	1990
Cash and cash equiv.	$ 1,162,964	$ 521,896
Accts. receiv., net	3,796,464	4,834,909
*Inventories	6,721,806	6,671,086
Prepaid expenses	205,202	535,332
Current Assets	$ 11,886,436	$ 12,563,223
Investments	2,464,836	2,716,614
#Fixed assets	7,697,172	8,256,217
Debt issu. costs	179,966	200,834
Deferral costs	44,085	137,631
Deferral inc. tax benefit	76,053	113,437
Intangibles	41,230	41,825
Other assets	110,101	19,658
Total Assets	$ 22,499,879	$ 24,051,441

Liabilities

	1991	1990
Long-term debt, curr.	$ 400,000	$ 400,000
Accts. payable	623,189	557,636
Accrued payroll	696,424	707,433
Other accruals	556,655	388,489
Income taxes payable	6,955	104,713
Deferred inc. taxes	128,016	6,778
Curr. Liabilities	$ 2,411,239	$ 2,165,049
Long-term debt	4,000,000	6,900,000
Deferred inc. taxes	865,412	920,790
+Common stock	15,967	15,967
Add. paid-in capital	9,112,259	9,112,259
Retained earnings	7,644,201	6,231,236
Unrealized loss in eq. secur.	(615,342)	(163,564)
Treasury stock	(933,857)	(930,296)
Total Liabilities & Shareholders' Equity	$ 22,499,879	$ 24,051,441

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1991	1990
% Income bef. Taxes to Sales	8.14	3.47
% Net Income to Sales	5.63	2.40
% Net Income to Equity	7.39	3.58
Sales to Inventories	2.97	3.15
Debt to Equity	0.29	0.52
Working Capital	$ 9,473,197	$ 10,398,174
Current Ratio	4.93	5.80
Shareholders' Equity	$ 15,223,228	$ 14,065,602

General Motors Corporation

3044 West Grand Boulevard
Detroit, Michigan 48202
(313) 556-5000
FAX: (313) 556-5108

General Motors Building
767 Fifth Avenue
New York, New York 10153
(212) 486-5000

Officers: Robert C. Stempel, chairman & chief executive officer; Lloyd E. Reuss, president-North American Operations & Worldwide Components; Robert J. Schultz, vice chairman-Electronic Data Systems; John F. Smith, Jr., vice chairman -international operations; Robert T. O'Connell, exec. v.p.-Finance Group, GMAC & chief financial officer; F. Alan Smith, exec. v.p.-operating & public affairs staff groups; William E. Hoglund, exec. v.p.-Automotive Components, Power Products and Defense Groups; James B. Fitzpatrick, v.p. & Marketing & product planning staff; E. Michael Mutchler, v.p.-Chevrolet, Pontiac, GM of Canada Group; J.T. Battenberg, III, v.p.-Buick, Oldsmobile, Cadillac Group; Edward P. Czapor, v.p.-quality and reliability; Gary W. Dickinson, v.p.-technical staff groups; Leon J. Krain, v.p.-finance group; Clifford J. Vaughan, v.p.-Truck & Bus Group; Marina v.N. Whitman, v.p.-Public Affairs Staffs Group; J. C. Perkins, v.p.-Chevrolet Motors Division; Betsy Ancker-Johnson, v.p.-environmental activities staff; Thomas S. McDaniel, v.p.-Asian & Pacific Operations; Robert J. Eaton, pres.-General Motors Europe; W. Gordon Binns, Jr., v.p. & chief investment funds officer; David D. Campbell, v.p. & group dir.-operations, Chevrolet, Pontiac, GM of Canada Group; F. Blake Wallace, v.p.- allison gas turbine div.; Patrick J. Coletta, v.p. & group dir.-truck & bus operations; George C. Eads, v.p.-economics staff & chief economist; Robert A. Frosch, v.p.-research laboratories; John O. Grettenberger, v.p. & gen. mgr.-Cadillac Motor Car Division; Ronald H. Haas, v.p.-current engineering and manufacturing services staff; Donald E. Hackworth, v.p. & product mgr.-Lansing Automotive Division; James D. Johnston, v.p.-industry-government relations; Gerald A. Knechtel, v.p.-personnel administration & development staff; Charles M. Jordan, v.p.-design staff; Richard G. LeFauve, v.p. & president-Saturn Corporation; J. Michael Losh, v.p. & gen. mgr.-Oldsmobile Division; Edward H. Mertz, v.p. & gen. mgr.-Buick Motor Division; John G. Middlebrook, v.p. & gen. mgr.-Pontiac Motor Division; Claude N. Moore, v.p.-customer sales and service staff; Arvin F. Mueller, v.p. & group dir.-engineering, Chevrolet, Pontiac, GM of Canada Group; Donald A. Pais, v.p.-materials management staff; George A. Peapples, president & gen. mgr.-General Motors of Canada Ltd.; Harry J. Pearce, v.p. & general counsel; Lewis B. Campbell, v.p. & mgr.-Flint Automotive Division; Robert B. Stone, v.p.-Latin American operations & managing dir.-General Motors do Brasil; John W. Jarrell, v.p. & gen. mgr.-Electro-Motive Division; Alfred S. Warren, Jr., v.p.-strategic labor issues; Richard F. O'Brien, v.p.-industrial relations staff; John E. Rhame, v.p.-international export, African, and Mideast operations; Donald L. Runkle, v.p.-advanced engineering staff; Shirley Young, v.p.-consumer market development; Charles F. Golden, treasurer; John E. Mischi, comptroller; David A. Collins, secretary.

Directors: Robert C. Stempel, Roger B. Smith, James H. Evans, Charles T. Fisher, III, Roger B. Smith, Marvin L. Goldberger, John J. Horan, Robert J. Schultz, Lloyd E. Reuss, John G. Smale, J. Willard Marriott, Jr., F. Alan Smith, Ann D. McLaughlin, Leon H. Sullivan, John F. Smith, Jr., Edmund T. Pratt, Jr., Dennis Weatherstone, Thomas H. Wyman, Thomas E. Everhart, George P. Shultz.

Areas of Work: Operations are classified into three segments: automotive products, defense products, and other nonautomotive products. The automotive segment consists of the design, manufacture, assembly and sale of automobiles, trucks and related parts and accessories. The defense products segment includes military vehicles, radar and weapon control systems, guided missile systems, and defense satellites. The other nonautomotive products segment consists of the design, installation and operation of business information and telecommunication systems, as well as the design, development and manufacture of locomotives; engines for drilling, marine and stationary applications; commercial satellites; and specialized automated production and test equipment.

Electronic and Related Divisions:

AC Spark Plug
Flint, Michigan
Spark plugs; oil filters; instrument panels; fuel pumps; fuel filters; air cleaners; emission control systems; cruise control systems.

Delco Electronics
Kokomo, Indiana
Automotive electronics; entertainment systems; heater-air conditioning controls; military electronics; semiconductor devices; analog and digital systems; integrated circuits.

Delco Systems Operations
Santa Barbara, California
Military electronics; navigation and control systems and components for aircraft, defense, spacecraft, and commercial vehicles.

Delco Moraine
Dayton, Ohio

Automotive brake systems; engine bearings; powdered metal products; automatic transmission components.

Harrison Radiator
Lockport, New York

Car and truck radiators, defrosters, heaters, thermostats and air-conditioners; heat exchangers.

Packard Electric
Warren, Ohio

Automotive, appliance, marine and farm equipment, wiring systems and components; fiber optics; magnetic wire.

Delco Products
Dayton, Ohio

Shock absorbers, windshield wiper systems, energy-actuators, bumper devices, automotive electric motors and actuators, fan clutches, emission control devices, industrial and hermetic motors and generators.

Delco Remy
Anderson, Indiana

Starting, generating and ignition systems switches, vacuum controls; batteries for passenger cars, trucks, buses, farm tractors and off-highway equipment.

Electronic Data Systems Corporation

Development of computer software that controls automated manufacturing systems; integration and updating of information management and telecommunication systems; military personnel identification and tracking systems.

Fisher Guide
Anderson, Indiana

Car, truck and tractor lamps, mirrors, finished die castings, molded plastic parts, lighting controls, stampings.

Rochester Products
Rochester, New York

Carburetors, steel tubing, cigarette lighters, locks, keys; emission control devices, diverter valves; fuel injectors; hydraulic and mechanical valve lifters; jet fuel nozzles; cold formed precision parts.

G.M. Hughes Electronics Corporation

Provides a broad array of advanced electronic components and systems to the automotive, military and space industries. Some of these are weapons control systems, radar systems, commercial and military communications satellites, automated manufacturing and test equipment, weapon delivery systems, large-scale integrated circuits, image sensing, storage and display devices.

Stock Transfer Offices:

First Chicago Trust Company of New York
P.O. Box 3981
Church Street Station
New York, New York 10008-3981

National Trust Company Limited
21 King Street, East
Toronto, Ontario M5C 1B3, Canada

National Trust Company Limited
1350 Sherbrooke Street, West
Montreal, Quebec H3G 1J1, Canada

Stock Exchange(s): New York, Boston, Cincinnati, Midwest, Philadelphia, Pacific, Montreal, Toronto, Tokyo

Ticker Symbol: GM

Number of Employees:

1990	761,000	1987	813,000
1989	775,000	1986	876,000
1988	766,000		

** Figure excludes G.M. Hughes Electronics Corporation

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1990	$ 124,705,100	$ (1,985,700)
1989	126,931,900	4,224,300
1988	123,641,600	4,856,300
1987	114,870,400	3,550,900
1986	115,609,900	2,944,700

	No. of Com. Shares ‡ *	Earn. per Shares ‡ *
1990	601,500,000	$ —
1989	604,300,000	6.33
1988	615,700,000	7.17
1987	631,500,000	5.03
1986	635,300,000	4.11

(Loss)
* Based on the $1 2/3 par value common stock
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Manufactured products	$ 107,477,000	$ 109,610,300
Financial services	11,756,300	11,216,900
Computer systems svcs	2,787,500	2,384,600
Other	2,684,300	3,720,100
Total	$ 124,705,100	$ 126,931,900

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1990	$ 3.00	—	—
1989	3.00	—	—
1988	2.50	—	2-for-1
1987	2.50	—	—
1986	2.50	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share #
1990	$ 29,812,000	$ 49.56
1989	34,746,100	57.50
1988	35,435,300	57.55
1987	32,988,700	52.24
1986	30,443,600	47.92

‡ After allowing for preferred stock at stated value
# Based on the average number of shares outstanding, adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1990	1989
Revenues	$ 124,705,100	$ 126,931,900
Cost of revenues	96,155,700	93,817,900
Expenses	10,030,900	9,447,900
Depreciation & amortization	7,361,600	7,168,200
Interest expense	8,771,700	6,757,200
Other expenses	1,288,300	1,342,400
Prov. for plant closings	3,314,000	—
Inc. (loss) bef. taxes	$ (2,217,100)	$ 6,398,300
Income taxes (credit)	(231,400)	2,174,000
Net Income (Loss)	$ (1,985,700)	$ 4,224,300

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 3,688,500	$ 5,625,400
Marketable securities	4,132,900	4,587,900
Finance receiv., net	90,116,200	92,354,600
Accts. & notes receiv., net	5,731,300	5,447,400
*Inventories	9,331,300	7,991,700
Contracts in process	2,348,800	2,073,300
Net equip. on oper. leases	5,882,000	5,131,100
Prepaid expenses	4,751,600	3,914,700
Other invest. & assets	7,252,500	5,050,200
#Fixed assets	36,145,000	33,994,500
Intangibles	10,856,400	7,126,300
Total Assets	$ 180,236,500	$ 173,297,100

Liabilities
(000's)

	1990	1989
Accounts payable	$ 8,824,400	$ 7,707,800
Note and loans pay.	95,611,500	93,424,800
Inc. taxes payable	3,959,600	5,671,400
Deferred credits	1,410,100	1,403,900
Other liabilities	38,255,200	28,456,700
Stocks subj. to repurch.	2,106,300	1,650,000
+Preferred stock	234,400	234,400
+++Preference stock	1,000	2,000
++Common stock	1,009,300	1,009,500
+++Class E Common stock	10,000	4,900
+++Class H Common stock	3,500	3,500
Add. paid-in capital	2,208,200	2,614,000
Retained earnings	27,148,600	31,230,700
Min. pension liab. adjust.	(1,004,700)	—
For. curr. trans.	437,100	(116,500)
Total Liabilities & Shareholders' Equity	$ 180,236,500	$ 173,297,100

* At cost, which is not in excess of market. Domestic inventories at LIFO, foreign and GMHE at FIFO or average.
# Less accumulated depreciation
‡ Less accumulated amortization
+ No par value, $100 stated value
++ $1 2/3 par value
+++ $0.10 par value

Statistical Summary

% Income before Taxes to Revenues	—	5.04
% Net Income to Revenues	—	3.33
% Net Income to Equity	—	12.08
Debt to Equity	3.18	2.67
Shareholders' Equity (000's)	$ 30,047,400	$ 34,982,500

General Signal Corporation

High Ridge Park
Box 10010
Stamford, Connecticut 06904
(203) 357-8800
FAX: (203) 322-2366

Officers: Edmund M. Carpenter, chairman & chief executive officer; Stephen W. Nagy, sr. v.p.-finance & chief financial officer; Joel S. Friedman, sr. v.p.-operations; Peter A. Laing, sr. v.p.-operations; Edgar J. Smith, Jr., v.p., secretary & general counsel; Michael R. Jacqmin, v.p. & treasurer; Erwin Kantor, v.p.-taxes; George Falconer, v.p.-human resources; Terry J. Mortimer, v.p. & controller; Nino J. Fernandez, v.p.-investor relations.

Directors: Edmund M. Carpenter*, chairman; Nathan R. Owen*, John P. Horgan*, Ralph E. Bailey, N. Bruce Hannay, Robert A. Plane, Ronald E. Ferguson, John R. Selby, Roland W. Schmitt.

* Member of the Executive Committee

Electronic Controls & Systems
Products include equipment for each major segment of semiconductor manufacture, from crystal-growing furnaces, and wafer polishers, through deposition and spin-brake equipment, wafer steppers, washer and dicing systems, to testing and packaging equipment. For the telecommunications industry, products include voice, data, digital microwave radio, and fiber optic signal processing and transmission equipment, test and measurement systems, central office power sources, and land-based mobile radio systems. For the process industries, products include centrifugal and wastewater pumps, high vacuum pumps, industrial valves, computer-directed central control systems, distributed control systems, electronic instrumentation, and electronically controlled feeders and scales. Products for electric utilities include management systems, coal metering equipment, boiler and scrubber controls, and remote-controlled radioactive-waste handling systems. For railroad systems, products include highly engineered systems and controls, including cab, wayside and centralized traffic control components and systems and push-button interlocking controls. For bus mass transit, products include central control systems and electronic fareboxes. For civil and defense air traffic control and nagivation, included are radar nagivation, identification and ground weather monitoring systems. Shipboard communication systems and propulsion controls are provided to the marine industry; power conditioning equipment is produced for numerous markets to safeguard vital or sensitive electronic equipment.

Electrical Controls & Equipment
Products for the construction market include such electrical controls and components for power distribution as transformer and switchgear, fire protection and building signaling systems, electric metering equipment, and automatic time recording and parking lot control systems. For the cogeneration and refining fields, self-contained unitized powerhouses are manufactured. Hazardous-location power distribution equipment is produced for the petroleum industry, and heat processing equipment is manufactured for the primary and fabricated metals and electronics industries.

Fluid Controls & Equipment
Products include specialty, telemetry, and supervisory control systems, valves and actuators, mechanical mixers, and aerators, centrifugal, turbine, high-vacuum, and wastewater pumps, instruments for measuring pressure, flow, and temperature, biological and waste-treatment systems, specialty air pollution control equipment, and corrosion control materials manufactured for the chemical, petrochemical, petroleum, food and beverage, primary and fabricated metals, pulp and paper, industrial and municipal water and waste-water processing, agriculture and construction indusries. For the railroad industry, pneumatic and hydraulic braking systems and related controls are manufactured. Such control products as hydraulic gear pumps and directional control valves, piston pumps and motors, hydrostatic transmissions, advanced fluid power systems, and cold-forged components for vehicular steering and suspension are manufactured for the heavy-duty mobile construction, aerospace and defense, mining, materials-handling, agricultural, auto and truck markets.

Divisions and Subsidiaries:

Axel Electronics
Jamaica, New York

Henschel
Newburyport, Massachusetts

Edwards
Farmington, Connecticut

O-Z/Gedney
Terryville, Connecticut

Kinney Vacuum Company
Canton, Massachusetts

DeZurik
Sartell, Minnesota

Mixing Equipment Company
Rochester, New York

Metal Forge
Columbus, Ohio

GS Electric
Carlisle, Pennsylvania

Kayex
Rochester, New York

Stock Equipment Company
Chagrin Falls, Ohio

Advanced Mechanization, Inc
Horsham, Pennsylvania

Leeds & Northrup Instruments
Leeds & Northrup International
Leeds & Northrup Systems
all at
North Wales, Pennsylvania

Telecommunications Technology, Inc
Milpitas, California

Aurora Pump
North Aurora, Illinois

Hevi-Duty Electric
Goldsboro, North Carolina

Lindberg
Blue Island, Illinois

Sola Electric
Elk Grove Village, Illinois

Xynetics
Santa Clara, California

Tau-tron
Westford, Massachusetts

Ultratech Stepper
Santa Clara, California

Dielectric Communications
Raymond, Maine

Drytek
Wilmington, Massachusetts

Telenex
Mt. Laurel, New Jersey

GCA Corporation

Designs, manufactures and markets highly automated capital equipment to integrated circuit manufacturers, and manufactures and markets related precision optical systems and lenses.

Turbo-Mueller
West Germany
Manufactures mixing equipment

Hydromatic Pumps
Manufactures pumps and pump accessories

Acquisitions:

Bori S.p.A.
Mid-to large size uninterruptible power supplies

MPH Industries
Non-ferrous melting and holding furnaces

Dual-Lite
Emergency lighting equipment

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10286

Stock Exchange(s): New York, Pacific

Ticker Symbol: GSX

Number of Employees:

1990	15,500	1987	19,126
1989	19,377	1986	20,180
1988	19,082		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 1,694,947	$ (32,933)
1989	1,738,287	78,451
1988	1,607,719	25,198
1987	1,431,343	69,378
1986	1,399,740	74,622

	No. of Com. Shares #	Earn. per Share #
1990	19,199,000	$ —
1989	19,056,000	4.12
1988	27,709,000	0.91
1987	28,239,000	2.46
1986	28,730,000	2.60

(Loss)
+ Of continuing operations only
# Based on the weighted average number of shares outstanding

Revenues by Line of Business
(000's)

	1990	1989
Process controls	$ 727,267	$ 735,406
Electrical controls	503,187	446,201
Industrial technology	451,171	437,352
Dispositions	13,322	119,328
Total	$ 1,694,947	$ 1,738,287

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.80	—	—
1989	1.80	—	—
1988	1.80	—	—
1987	1.80	—	—
1986	1.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 450,349,000	$ 23.38
1989	506,109,000	26.50
1988	461,046,000	24.19
1987	907,151,000	33.02
1986	927,354,000	32.33

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,694,947	$ 1,738,287
Cost of sales	1,209,705	1,220,421
Expenses	356,769	378,973
Special charges	46,200	—
Interest income	(6,091)	(5,669)
Interest expense	37,557	44,759
Net loss (gain) on dispos.	76,000	(8,679)
Inc. (loss) bef. taxes	$ (25,193)	$ 108,482
Income taxes (credit)	(11,917)	28,201
Inc. (loss) cont. oper.	$ (13,276)	$ 80,281
Loss discont. oper.	(19,657)	(1,830)
Net Income (Loss)	$ (32,933)	$ 78,451

* Included in Costs and Expenses, Depreciation and Amortization: $61,665,000 in 1990 and $63,100,000 in 1989.

General Signal Corporation

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equivs	$ 7,793	$ 22,930
Accts. receiv., net	305,292	348,189
*Inventories	281,858	324,329
Prepaid expenses	51,105	60,616
Net assets held for sale	42,612	—
Deferred inc. taxes	25,394	17,923
Current Assets	$ 714,054	$ 773,987
≠Fixed assets	283,040	325,060
Intangibles	223,198	166,665
Other assets	74,341	58,629
Total Assets	$ 1,294,633	$ 1,324,341

Liabilities
(000's)

	1990	1989
Short-term borrowings & long term debt, curr	$ 11,782	$ 9,630
Accts. payable	137,521	146,150
Accruals	197,732	203,426
Income taxes	56,418	85,956
Curr. Liabilities	$ 403,453	$ 445,162
Long-term debt	397,939	331,164
Deferred income taxes	31,140	32,588
Other liabilities	11,752	9,318
+Common stock	42,151	41,971
Add. paid-in capital	310,118	301,720
Retained earnings	681,871	749,357
Foreign currency translation adj	2,004	(1,791)
Treasury stock	(585,795)	(585,148)
Total Liabilities & Shareholders' Equity	$ 1,294,633	$ 1,324,341

* At lower of cost or market. Certain domestic inventories at LIFO; remainder at FIFO.
≠ Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1990	1989
% Net Income to Equity	—	15.50
Sales to Inventories	6.01	5.36
Debt to Equity	0.91	0.67
Working Capital	$ 310,601,000	$ 328,825,000
Current Ratio	1.77	1.74
Shareholders' Equity	$ 450,349,000	$ 506,109,000

Genicom Corporation

Genicom Drive
Waynesboro, Virginia 22980-1999
(703) 949-1000
FAX: (703) 949-1392

Officers: Don E. Ackerman, chairman; John V. Harker, exec. v.p.; Frederick C. Young, v.p. & chief financial officer; Charles L. Dumas, v.p.-printer mfg.; Robert C. Berrang, v.p. & general mgr.-Relay Products Div.; Raymond D. Stapleton, v.p. & gen. mgr.-Service Division; Robert C. Easton, v.p.-quality & customer satisfaction; Mark E. Reed, v.p.-domestic sales; Carl D. Grotheer, v.p.-business management & marketing support; James A. Jones, corp. controller & secretary.

Directors: Don E. Ackerman, chairman; Paul T. Winn, Bruce K. Anderson, John V. Harker.

Areas of Work: Designs, manufactures, markets and services a wide range of medium to high performance computer printers for general business applications. Also produces hermetically sealed electromechanical relays used in aerospace, defense, automatic test equipment and other applications which require high product quality and reliability.

Divisions:

Printer Products Division
Relay Products Division
Service Division
International Division

Subsidiaries:

Datacom de Mexico, S.A. de C.V.
Reynosa, Mexico

Genicom International Ltd.
Farnborough, England

Genicom Canada, Inc.
Toronto, Canada

Genicom Ltd.
Farnborough, England

Genicom S.A.
Massy, France

Genicom S.p.A.
Milan, Italy

Genicom GmbH
Sulzbach, West Germany

Genicom (Australia) Pty. Ltd.
Melbourne, Australia

Transfer Agent(s):

First Union National Bank of North Carolina
Shareholder Services Group
Two First Union Center
Charlotte, North Carolina 28288

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GECM (NASDAQ)

Number of Employees:

1990	2,896	1987	3,587
1989	3,259	1986	2,507
1988	3,692		

Plant Footage:

1990	886,000 sq. ft.	1987	887,000
1989	992,000	1986	688,000
1988	992,000		

Sales & Earnings

	Revenues	Net Income ≠
1990	$ 255,298,000	$ 6,628,000
1989	256,873,000	(24,260,000)
1988	293,429,000	5,304,000
1987*	302,151,000	12,555,000
1986	157,463,000	8,608,000

	No. of Com. Shares ‡	Earn. per Share ≠‡
1990	10,580,000	$ 0.63
1989	10,710,000	—
1988	11,582,000	0.46
1987*	11,555,000	1.09
1986	10,414,000	0.83

(Loss)
* 53 weeks.
≠ Including extraordinary gain of $5,528,000 ($0.52 per share) in 1990.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 41,528,000	$ 3.93
1989	34,487,000	3.22
1988	61,565,000	5.32
1987	58,510,000	5.06
1986	45,664,000	4.38

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/30/90	12/31/89
Sales of products	$ 215,725	$ 219,044
Lease & service	39,573	37,829
Total revenue	$ 255,298	$ 256,873
Cost of revenues	189,852	198,562
Selling, gen. & adm. exp.	42,036	47,291
Eng., research & product develop. exp.	8,741	11,223
Restruc. charges	—	14,051
Interest expense	12,712	14,125
Inc. (loss) bef. taxes	$ 1,957	$ (28,379)
Income taxes (credit)	857	(4,119)
Net Income (Loss)	$ 1,100	$ (24,260)
Extraord. gain	5,528	—
Net Income (Loss) & extraord. gain	$ 6,628	$ (24,260)

* Included in Costs and Expenses, Depreciation and Amortization: $13,184,000 in 1990 and $15,738,000 in 1989.

Assets
(000's)

As of	12/30/90	12/31/89
Cash & cash equiv	$ 1,641	$ 213
Accts. receiv., net	45,106	45,554
*Inventories	67,103	77,981
Recov. inc. taxes	3,043	7,530
Prepaid expenses	1,787	2,437
Current Assets	$ 118,680	$ 133,715
≠Fixed assets	30,479	36,707
Goodwill	12,131	12,880
Other assets	5,852	7,093
Total Assets	$ 167,142	$ 190,395

Liabilities
(000's)

	12/30/90	12/31/89
Long-term debt, curr	$ 2,149	$ 12,395
Accts. payable & accruals	33,233	37,533
Deferred income	6,658	6,371
Curr. Liabilities	$ 42,040	$ 56,299
Long-term debt	83,574	99,609
+ Common stock	106	106
Add. paid-in capital	25,117	24,548
Retained earnings	16,305	9,833
Total Liabilities & Shareholder's Equity	$ 167,142	$ 190,395

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	0.91	—
% Net Income to Sales	0.51	—
% Net Income to Equity	2.65	—
Sales to Inventories	3.21	2.81
Debt to Equity	2.06	3.25
Working Capital	$ 76,640,000	$ 77,416,000
Current Ratio	2.82	2.34
Shareholders' Equity	$ 41,528,000	$ 34,487,000

Genisco Technology Corporation

1230 S. Lewis St.
Anaheim, California 92805
(714) 563-4300
FAX: (713) 563-4353

Officers: Phillip C. Friedman, chairman & chief executive officer; Michael F. Boice, sr. v.p.-business development; David A. Phipps, asst. secretary; John J. Gallogly, controller; Jerome J. Gross, v.p.-operations, systems division; Roger L. Rowe, v.p.-electronic products group.

Directors: Phillip C. Friedman, John P. Shelton, Fred Lukas, Harry M. Rubin.

Areas of Work: Manufactures ruggedized computers, computer memory products, computer graphics displays, and electronic components for the aerospace, military, energy, telecommunications, process control and other computer-based industries.

Divisions:

Electronics Division
1657 Pacific Rim Court
San Diego, California 92073
(619) 661-5100
Manufactures Eldema indicator lights and EMI filter products.

Subsidiaries:

Genisco Electronico de Mexico, S.A.
Genisco Computers Ltd.
Genisco Computers GmbH

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American, Pacific

Ticker Symbol: GES

Number of Employees:

1990	210	1987	188
1989	316	1986	456
1988	423		

Plant Footage:

1990	100,000 sq. ft.	1987	178,000
1989	135,000	1986	226,000
1988	106,000		

Sales & Earnings

	Revenues	Net Income ‡
1990	$ 28,738,694	$ (1,161,669)
1989	34,709,913	1,743,388
1988	29,084,804	(12,353,795)
1987	38,910,516	(2,143,240)
1986	40,264,576	292,844

	No. of Com. Shares	Earn. per Share ‡ ≠
1990	2,684,901	$ —
1989	2,675,521	0.65
1988	2,673,756	—
1987	2,671,766	—
1986	2,669,406	0.11

(Loss)
‡ Including extraordinary gain of $709,000 ($0.26 per share) in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Systems group	$ 24,253,000	$ 25,362,000
Electronic prods. group	4,349,000	9,099,000
Other	137,000	249,000
Total	$ 28,739,000	$ 34,710,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 1,241,728	$ 0.46
1989	3,044,717	1.14
1988	1,414,361	0.53
1987	13,798,930	5.16
1986	15,804,600	5.92

Income Account*

Year ended Sept. 30	1990	1989
Revenues	$ 28,738,694	$ 34,709,913
Cost of revenues	23,897,311	27,369,484
Expenses	5,271,900	6,411,734
Interest expense	889,583	1,090,743
Gain on sale of prod. line	(81,820)	(1,929,436)
Royalty income	(76,611)	—
Income (loss) before taxes	$ (1,161,669)	$ 1,767,388
Income taxes	—	733,000
Net Income (Loss)	$ (1,161,669)	$ 1,034,388
Extraord. gain	—	709,000
Net Income (Loss) & extraord. gain	$ (1,161,669)	$ 1,743,388

* Included in Costs and Expenses, Depreciation and Amortization: $964,405 in 1990 and $1,227,863 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	$ 306,283	$ 201,452
Accts. receiv., net	5,833,258	7,201,945
*Inventories	6,625,840	8,501,801
Other curr. assets	138,099	218,054
Current Assets	$ 12,903,480	$ 16,123,252
≠Fixed assets	3,180,006	3,020,307
Intangibles	496,825	778,461
Other assets	130,273	81,951
Total Assets	$ 16,710,584	$ 20,003,971

Liabilities

Long-term debt, curr.	$ 313,739	$ 37,200
Accts. payable	2,707,895	3,573,724
Accrued payroll	1,376,020	1,937,324
Other accruals	414,466	1,373,338
Curr. Liabilities	$ 4,812,120	$ 6,921,586
Long-term debt	8,938,487	9,208,668
Deferred lease credit	108,249	829,000
Other liabilities	962,000	—
Minimum pension liability	648,000	—
+Common stock	1,513,075	1,508,385
Add. paid-in capital	9,705,826	9,703,836
Retained earnings (deficit)	(9,329,173)	(8,167,504)
Minimum pension liab. adjust.	(648,000)	—
Total Liabilities & Shareholders' Equity	$ 16,710,584	$ 20,003,971

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Revenues	—	5.09
% Net Income to Revenues	—	2.98
% Net Income to Equity	—	33.97
Debt to Equity	7.45	3.04
Working Capital	$ 8,091,360	$ 9,201,666
Current Ratio	2.68	2.33
Shareholders' Equity	$ 1,241,728	$ 3,044,717

GenRad, Inc.

300 Baker Avenue
Concord, Massachusetts 01742-2174
(508) 369-4400
FAX: (508) 369-6974

Officers: Robert E. Anderson, president & chief exec. officer; Richard J. Faubert, v.p.-product development; Richard C. Tippett, v.p.-operations; Vincent L. Carolan, controller; Arthur W. Winterhalter, v.p.-sales & support; Charles E. Peters, Jr., sr. v.p. & chief financial officer; Mark T. Beaudouin, general counsel & asst. secretary; Walter A. Shephard, treasurer; Carole Y. Prest, v.p.-marketing.

Directors: Robert E. Anderson, chairman; Edwin M. Martin, Jr., Paul Penfield, Jr., William G. Scheerer, Wilson Wilde, James H. Wright, William R. Thurston.

Areas of Work: Manufactures test equipment for the electronic equipment, mechanical equipment and semiconductor industries. The Company's computer-based test systems are used by electronics manufacturers to test printed circuit boards and isolate faults down to the individual component level. Electronic component test instruments indicate whether capacitors, resistors, inductors, or integrated circuits are functioning properly. Digital signal processors analyze structures and machinery. Acoustic instrumentation products analyze and measure noise, and are widely used to test compliance with industrial and environmental noise regulations.

Divisions:

Electronic Manufacturing Test Products
Concord, Massachusetts

Structural Test Products
Milpitas, California

Design Automation Products
Fareham, Hants, United Kingdom

Automotive Test Products
Cheadle, Cheshire, United Kingdom

Subsidiaries:

GenRad Ltd.
Ontario, Canada

GenRad Ltd.
Maidenhead, Berkshire, United Kingdom

GenRad
Paris, France

GenRad GmbH
Munich, Germany

GenRad S p A
Milan, Italy

GenRad (Schweiz) AG
Zurich, Switzerland

GenRad Handelsges m b H
Vienna, Austria

Genrad, Benelux B V
Netherlands

Transfer Agent(s):

Bank of Boston
Customer Service
Mail Stop 45-02-09
P.O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York

Ticker Symbol: GEN

Number of Employees:

1990	1,661	1987	2,113
1989	1,869	1986	2,240
1988	1,998		

Plant Footage:

1990	705,000 sq ft	1987	705,000
1989	705,000	1986	705,000
1988	705,000		

Sales & Earnings

	Net Sales †	Net Income ≠
1990	$ 179,349,000	$ (21,114,000)
1989	188,906,000	(6,090,000)
1988	205,859,000	(6,238,000)
1987	193,771,000	(37,045,000)
1986	177,059,000	(29,895,000)

	No. of Com. Shares +	Earn. per Share ≠ +
1990	17,391,000	$ —
1989	17,046,000	—
1988	16,634,000	—
1987	16,455,000	—
1986	16,255,000	—

(Loss)
† Includes service revenues; of continuing operations only.
≠ Including extraordinary gain of $5,083,000 in 1990.
+ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 42,375,000	$ 2.42
1989	60,946,000	3.52
1988	66,889,000	3.99
1987	72,939,000	4.40
1986	105,654,000	6.45

Income Account *
(000's)

Year ended	12/29/90	12/30/89
Revenues		
Sales of products	$ 139,543	$ 151,297
Sales of services	39,806	37,609
Total revenues	$ 179,349	$ 188,906
Cost of sales & services	97,291	92,513
Expenses	99,473	96,638
Reorganization charges	4,500	3,000
Interest income	(1,313)	(2,402)
Interest expense	5,602	5,376
Other income	(103)	(528)
Loss bef. taxes	$ (26,101)	$ (5,691)
Income taxes	96	399
Net Loss	$ (26,197)	$ (6,090)
Extraord. gain	5,083	—
Net Loss & extraord. gain	$ (21,114)	$ (6,090)

* Included in Costs and Expenses, Depreciation and Amortization $15,162,000 in 1990 and $16,444,000 in 1989.

Assets
((000's)

As of	12/29/90	12/30/89
Cash & cash equiv	$ 12,894	$ 13,388
Short-term invest		10,856
Accts. receiv., net	40,982	44,314
*Inventories	32,161	37,922
Other curr. assets	5,612	4,096
Current Assets	$ 91,649	$ 110,576
≠Fixed assets	54,719	65,020
Other assets	4,095	4,511
Total Assets	$ 150,463	$ 180,107

Liabilities
(000's)

Notes payable	$ 9,687	$ 10,777
Accts. payable	8,958	11,331
Accruals	13,698	13,884
Accrued compensation	7,779	6,951
Income taxes	532	640
Curr. Liabilities	$ 40,654	$ 43,583
Long-term debt	48,653	55,874
Deferred inc. taxes	1,137	1,658
Accrued pensions	12,607	10,476
Fut. lease costs-unused facil.	5,037	7,570
+Common stock	17,537	17,330
Add. paid-in capital	101,157	100,845
Retained earnings (deficit)	(76,208)	(55,094)
Foreign curr. trans. adj.	(111)	(2,135)
Total Liabilities & Shareholders' Equity	$ 150,463	$ 180,107

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	4.34	3.99
Debt to Equity	1.38	1.09
Working Capital	$ 50,995,000	$ 66,993,000
Current Ratio	2.25	2.54
Shareholders' Equity	$ 42,375,000	$ 60,946,000

George Risk Industries, Inc.

802 South Elm Street
Kimball, Nebraska 69145-1599
(308) 235-4645
FAX: (308) 235-2609

Officers: Ken Risk, chairman, chief exec. officer & president; Daniel Douglas, v.p.-materiel; Eileen Risk, treasurer & secretary; Donna Debowey, asst. secretary; Eileen M. Risk, asst. secretary.

Directors: Ken Risk, chairman; Eileen Risk; Jerry Anderson; William Batterton; Roy Bowling.

Areas of Work: Engaged in the design, manufacture and sale of computer keyboards, push button switches and burglar alarm components and systems.

Transfer Agent(s):

George Risk Industries, Inc.
Kimball, Nebraska

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RISKA (NASDAQ)

Number of Employees:

1990	120	1989	130

Plant Footage:

1990	17,000 sq. ft.	1989	17,000

Sales & Earnings

	Net Sales	Net Income †
1990	$ 4,750,083	$ 156,731
1989	4,150,513	325,460
1988	3,712,625	364,671
1987	2,809,654	(607,794)
1986	2,683,106	(562,946)

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	6,780,093	$ 0.02
1989	6,234,888	0.05
1988	6,234,888	0.06
1987	6,234,888	—
1986	6,234,888	—

(Loss)
† Including extraordinary gains of $70,031 ($0.01 per share) in 1990, $144,897 ($0.02 per share) in 1989 and $163,471 ($0.03 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Keyboard products	$ 835,287	$ 787,105
Burglar alarm products	3,524,168	3,240,391
Other products	473,843	299,437
Sales returns & allow	(83,215)	(176,420)
Total	$ 4,750,083	$ 4,150,513

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1990	$ 972,831	$ 0.14
1989	746,100	0.12
1988	423,728	0.07
1987	52,912	0.01
1986	665,403	0.11

† After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Apr. 30	1990	1989
Net sales	$ 4,750,083	$ 4,150,513
Cost of sales	2,599,126	2,193,254
Expenses	1,750,516	1,575,331
Interest expense	10,960	21,673
Interest income	(13,004)	(8,653)
Factoring fees	23,463	25,759
Other income	(17,916)	(35,928)
Litigation settlement	210,000	20,000
Inc. bef. taxes	$ 186,918	$ 359,077

Income taxes	70,031	163,642
Minority interest	30,207	14,872
Net Income	$ 86,700	$ 180,563
Extraord. gain	70,031	144,897
Net Income & extraord. gain	$ 156,731	$ 325,460

* Included in Costs and Expenses, Depreciation and Amortization: $105,534 in 1990 and $82,206 in 1989.

Assets

As of Apr. 30	1990	1989
Cash	$ 188,896	$ 8,637
Accts. receiv., net	574,278	532,629
* Inventories	682,185	661,467
Prepaid expenses	5,307	5,396
Current Assets	$ 1,450,666	$ 1,208,129
#Fixed assets	338,711	381,085
Other assets	32,781	2,792
Total Assets	$ 1,822,158	$ 1,592,006

Liabilities

Notes payable	$ 123,937	$ 198,937
Long-term debt, curr.	98,789	103,894
Accts. payable	84,401	78,905
Accruals	117,342	78,197
Accrued payroll	30,475	28,249
Curr. Liabilities	$ 454,944	$ 488,182
Long-term debt	44,850	44,029
Minority interest	92,531	56,695
+ Preferred stock	257,000	257,000
++ Common stock:		
Class A	758,238	658,238
Class B	83,910	83,910
Add. paid-in capital	1,468,602	1,498,602
Accum. deficit	(1,285,359)	(1,442,090)
Treasury stock	(52,560)	(52,560)
Total Liabilities & Shareholders' Equity	$ 1,822,158	$ 1,592,006

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ No par value.
++ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.94	8.65
% Net Income to Sales	1.84	4.35
%Net Income to Equity	7.05	18.00
Sales to Inventories	6.96	6.27
Debt to Equity	0.22	0.35
Working Capital	$ 995,722	$ 719,947
Current Ratio	3.19	2.47
Shareholders' Equity	$ 1,229,831	$ 1,003,100

Geotel, Inc.

25 Davids Drive
Hauppauge, New York 11788
(516) 436-7230
FAX: (516) 231-7075

Officers: Robert J. Sanator, president & chief exec. officer; Joseph E. Link, v.p., chief financial officer & secretary

Directors: Herman Fialkov, Benjamin V. Wright, Jr., Eugene F. Murphy, Richard L. Geiger, Robert J. Sanator, Bernard Schnitbolk

Division:

Telemet Division
25 Davids Drive
Hauppauge, New York 11788
(516) 436-7260

Designs, manufactures and sells solid-state video and audio signal processing, testing and switching instrumentation. Communication equipment manufactured by the Company includes video distribution amplifiers, multifunction test sets, test signal generators, differential phase and gain systems, sideband analyzers, modulators, precision demodulators, chroma keyers, routing switchers, video transmission cable equalizing for both short and long haul, and fiber optic transmission and receiver links.

Subsidiary:

True Technical Resources, Inc.
Hauppauge, New York

Provides engineering, design, installation and maintenance services to telephone operating companies, communications equipment manufacturers and the telephone interconnect industry. Also provides temporary technical and craft personnel to a variety of industries.

Acquisition:

Marks Polarized Corporation

Designs, manufactures and sells special optical products for commercial and military applications. These products are primarily contrast-enhancement filters that allow viewing of electronic displays in direct sunlight.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GETE (NASDAQ)

Number of Employees:

1989	130	1986	98
1988	162	1985	N.A.
1987	83		

Plant Footage:

1989	40,000 sq. ft.	1986	78,350
1988	54,500	1985	N.A.
1987	54,500		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 5,364,000	$ (1,808,655)
1988	2,613,000	(739,343)
1987	2,743,000	306,802
1986	2,959,000	(1,050,027)
1985	2,705,000	812,813

	No. of Com. Shares	Earn. per Shares ‡
1989	3,726,568	$ —
1988	3,726,568	—
1987	3,726,486	0.08
1986	3,731,919	—
1985	3,525,176	0.24

(Loss)
+ Of continuing operations only.
‡ Based on the number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Electronic communication	$ 2,326,051	$ 2,507,485
Technical services	2,496,230	105,722
Optical products	541,859	—
Total	$ 5,364,140	$ 2,613,207

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,752,471	$ 0.47
1988	3,561,126	0.96
1987	4,300,440	1.15
1986	4,004,075	1.07
1985	4,731,488	1.34

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 5,364,140	$ 2,613,207
Cost of sales	3,925,276	1,678,762
Expenses	3,041,086	2,081,024
Interest expense	173,657	76,203
Other income	(101,923)	(282,416)
Interest income	(37,810)	(104,838)
Loss before taxes	$ (1,636,146)	$ (835,528)
Tax credit	—	(167,000)
Loss-cont. oper.	$ (1,636,146)	$ (668,528)
Loss/discont. oper.	(172,509)	(70,815)
Net Loss	$ (1,808,655)	$ (739,343)

* Included in Costs and Expenses, Depreciation and Amortization: $149,353 in 1989 and $134,120 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 375,112	$ 780,987
Accts. receiv., net	1,074,426	352,089
*Inventories	592,003	776,407
Prepaid expenses	904,862	82,374
Net assets held for sale	—	1,929,774
Notes receivable	—	415,901
Current Assets	$ 2,946,403	$ 4,337,532
Note receiv.	200,000	—
#Fixed assets	540,943	402,510
Investment	700,000	—
Other assets	58,760	41,890
Total Assets	$ 4,446,106	$ 4,781,932

Liabilities

Bank loans payable	$ 1,400,000	$ 400,000
Long-term debt, curr.	9,870	—
Accts. payable	185,416	92,782
Accrued expenses	497,711	328,024
Curr. Liabilities	$ 2,092,997	$ 820,806
Long-term debt	600,638	400,000
+Common stock	373,203	373,203
Add. paid-in capital	4,230,926	4,230,926
Retained earnings (deficit)	(2,841,193)	(1,032,538)
Treasury stock	(10,465)	(10,465)
Total Liabilities & Shareholders' Equity	$ 4,446,106	$ 4,781,932

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	9.06	3.37
Debt to Equity	1.14	0.22
Working Capital	$ 853,406	$ 3,516,726
Current Ratio	1.41	5.28
Shareholders' Equity	$ 1,752,471	$ 3,561,126

Gerber Scientific, Inc.

83 Gerber Road West
South Windsor, Connecticut 06074
(203) 644-1551
FAX (203) 643-7039

P.O. Box 305
Hartford, Connecticut 06141-0305

Officers: H. Joseph Gerber, president; Fredric K. Rosen, v.p.; Peter J. Russo, treasurer; Robert J. Maerz, sr. v.p.-marketing & operations; George M. Gentile, sr. v.p.-finance; Richard F. Treacy, Jr., secretary

Directors: H. Joseph Gerber, George M. Gentile, Belmont Towbin, Stanley Simon, Roger B. McCormick

Areas of Work: Specializes in the design, manufacture, sale and service of computer-aided design and computer-aided manufacturing (CAD/CAM) products in computer-controlled drafting and photoplotting, low-cost interactive design, computerized marker making, material nesting, cutting and handling, sophisticated turnkey interactive graphic production systems which integrate several design and manufacturing processes, and microprocessor-controlled production systems. Gerber automation systems are used by a wide range of industries, including aerospace, apparel, automotive, electronics, metalworking, printing, graphic arts, sign-making and optical lens manufacturing.

Subsidiaries:

The Gerber Scientific Instrument Company
83 Gerber Road West
South Windsor, Connecticut 06074
(203) 644-1551

Designs and manufactures task-oriented, turnkey interactive systems which are used in high precision drafting and photoplotting. These computer-controlled systems are used to automate the production of critical engineering drawings and artwork and other documentation for printed circuit boards and film page layouts for the graphic arts industry.

Gerber Scientific (Canada) Ltd.
GSI Japan Ltd.

Gerber Garment Technology, Inc.
24 Industrial Park Road
Tolland, Connecticut
(203) 871-8082

Designs and manufactures CAD/CAM systems for the layout and cutting of flexible materials such as fabrics, textiles, leather, vinyls, plastics, fiberglass and advanced composite materials. The computer-aided design (CAD) systems automate sizing and arranging of pattern pieces to maximize material usage. The computer-aided manufacturing systems use the data generated by the design systems to cut the materials. The computer-controlled material handling system for the apparel industry delivers sequentially fabricated apparel parts between sewing room operators.

GGT Canada, Ltd.
GGT International (Australia) Pty. Ltd.
GGT International (NZ) Ltd., New Zealand
GGT International (Far East) Ltd., Hong Kong

Gerber Systems Technology, Inc.
425 Sullivan Avenue
South Windsor, Connecticut 06074
(203) 282-1478

Manufactures interactive design and data management systems used in computer-aided design and manufacturing (CAD/CAM) for a wide range of mechanical, electronic and manufacturing applications.

Gerber Systems Technology International, Inc.
Gerber Systems Technology International GmbH, West Germany

Gerber Scientific-Europe, S.A.
Boulevard du Souverain
100 BTE 2
Brussels B-1170, Belgium

Gerber Scientific-U.K. Limited
Unit 8B Intec Two
Wade Road
Basingstoke, Hampshire R624, England

Gerber Scientific GmbH
Oskar Messter Strasse 15
D-8045 Ismaning
Munich, West Germany

Gerber Scientific Italy S.R.L.
Centro Commerciale
20090 Noverasco Di Opera
Milano, Italy

Gerber Scientific France S.A.R.L.
19, Avenue LeonGambetta
Montrouge F-92120, France

Gerber Scientific Scandinavia A.B.
P.O. Box 4080
Solna S17104, Sweden

Gerber Scientific Leasing, Inc.
P.O. Box 305
Hartford, Connecticut 06141

Gerber Scientific Products, Inc.
151 Batson Drive
Manchester, Connecticut 06040
(203) 643-1515

Designs and manufactures low-cost microprocessor controlled production systems principally for the sign-making, graphic arts, and optical lens manufacturing industries.

Affiliates:

Boston Digital Corporation (21.2% owned)
Holliston, Massachusetts

Manufactures numerically controlled machine tools.

Cambridge Robotic Systems, Inc.

Designs and manufactures automatic optical inspection systems used in the inspection and qualification of high-density printed wiring devices and phototooling.

Transfer Agent(s):

Mellon Securities Trust Company
East Hartford, Connecticut 06108

Stock Exchange(s): New York

Ticker Symbol: GRB

Number of Employees:

1990	2,000	1987	1,800
1989	2,077	1986	1,700
1988	2,000		

Plant Footage:

1990	1,191,000 sq. ft.	1987	934,000
1989	1,191,000	1986	877,000
1988	1,069,000		

Sales & Earnings

	Revenues	Net Income
1990	$ 307,189,000	$ 32,423,000
1989	299,339,000	32,852,000
1988	263,983,000	29,612,000
1987	223,854,000	21,057,000
1986	191,786,000	18,190,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	23,864,000	$ 1.36
1989	24,337,000	1.35
1988	25,803,000	1.15
1987	26,054,000	0.81
1986	25,988,000	0.70

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend *	Stock Dividend	Stock Split
1990	$ 0.16	—	—
1989	0.12	—	—
1988	0.11	—	—
1987	0.08	—	3-for-2
1986	0.08	—	—

* Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 205,344,000	$ 8.60
1989	181,256,000	7.45
1988	169,579,000	6.57
1987	161,120,000	6.18
1986	141,479,000	5.44

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended April 30	1990	1989
Prod. sales	$ 261,682,000	$ 252,811,000
Service	45,507,000	46,528,000
Total revenues	$ 307,189,000	$ 299,339,000
Cost of revenues	151,088,000	142,651,000
Expenses	110,831,000	109,529,000
Interest expense	1,722,000	1,713,000
Other income	(6,275,000)	(5,406,000)
Income before taxes	$ 49,823,000	$ 50,852,000
Income taxes	17,400,000	18,000,000
Net Income	$ 32,423,000	$ 32,852,000

* Included in Costs and Expenses, Depreciation and Amortization: $9,825,000 in 1990 and $9,328,000 in 1989.

Assets

As of April 30	1990	1989
Cash & short-term invest.	$ 29,715,000	$ 33,875,000
Accts. receiv., net	75,357,000	64,141,000
*Inventories	89,121,000	80,619,000
Prepaid expenses	3,247,000	1,149,000
Current Assets	$ 197,440,000	$ 179,784,000
#Fixed assets	53,393,000	53,862,000
Long-term receiv. & invest.	9,293,000	4,748,000
Intangibles	13,232,000	12,228,000
Other assets	3,253,000	3,897,000
Total Assets	$ 276,611,000	$ 254,519,000

Liabilities

	1990	1989
Notes payable	$ 6,208,000	$ 8,715,000
Long-term debt, curr.	291,000	609,000
Accts. payable	14,307,000	13,963,000
Accrued payroll	7,816,000	6,766,000
Other accruals	19,475,000	20,757,000
Income taxes	—	634,000
Advance payments	3,430,000	2,805,000
Curr. Liabilities	$ 51,527,000	$ 54,249,000
Long-term debt	9,452,000	11,464,000
Deferred inc. taxes	9,025,000	7,550,000
Other liabilities	1,263,000	—
+Common stock	23,545,000	23,803,000
Add. paid-in capital	31,616,000	31,570,000
Retained earnings	148,829,000	123,970,000
Cum. trans. adjust.	1,354,000	1,913,000
Total Liabilities & Shareholders' Equity	$ 276,611,000	$ 254,519,000

* At lower of average cost (which approximates FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Revenues	16.22	16.99
% Net Income to Revenues	10.55	10.97
% Net Income to Equity	15.79	18.12
Debt to Equity	0.08	0.11
Working Capital	$ 145,913,000	$ 125,535,000
Current Ratio	3.83	3.31
Shareholders' Equity	$ 205,344,000	$ 181,256,000

Gleason Corporation

1000 University Avenue
P.O. Box 22970
Rochester, New York 14692-2970
(716) 473-1000
FAX: (716) 272-6099

Officers: James S. Gleason, chairman & president; John B. Kodweis, v.p.-human resources & public affairs; Daniel Z. Gutt, v.p.-finance & treasurer; Ralph E. Harper, secretary & corporate counsel.

Directors: James S. Gleason, chairman; Julian W. Atwater, Robert W. Bjork, Robert A. Sherman, Donald D. Lennox, Paul W. MacAvoy.

Areas of Work: Produces a line of precision machines and associated tooling to customer specifications and needs. Provides equipment and technology for the production of bevel gears, Curvic couplings, automated machining and testing systems and other components for mechanical power transmission systems. Also performs contract manufacturing of parts and sub-assemblies, molds, dies and fresnel lenses for a variety of industrial customers.

Divisions:

Hackett Precision Company
Nashville, Tennessee

The Gleason Works
Rochester, New York

The Gleason Works, S.A.
Baudour, Belgium

Gleason Works, Ltd.
Plymouth, England

Gleason Corporation Sales
Southfield, Michigan

Gleason Stuttgart
Stuttgart, Germany

Gleason Milano
Milan, Italy

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
New York, New York 14603

Stock Exchange(s): New York

Ticker Symbol: GLE

Number of Employees:

1990	2,800	1987	3,033
1989	2,983	1986	3,408
1988	3,163		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 176,554,000	$ 7,147,000
1989	162,241,000	15,419,000
1988	116,206,000	(4,234,000)
1987	137,487,000	(1,325,000)
1986	179,363,000	347,000

	No. of Com. Shares #	Earn. per Share #
1990	5,746,643	$ 1.24
1989	5,723,934	2.69
1988	5,750,115	—
1987	5,745,380	—
1986	5,712,614	0.06

(Loss)
+ Of continuing operations only.
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 119,239,000	$ 20.68
1989	107,705,000	18.81
1988	92,914,000	16.20
1987	96,858,000	16.86
1986	94,118,000	16.48

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 176,554,000	$ 162,241,000
Cost of sales	124,641,000	115,689,000
Expenses	41,650,000	36,076,000
Interest expense	196,000	1,604,000
Other expense (income)	385,000	(3,229,000)
Income bef. taxes	$ 9,682,000	$ 12,101,000
Income taxes	3,148,000	2,311,000
Inc.-cont. oper.	$ 6,534,000	$ 9,790,000
Inc.-discont. oper.	613,000	5,629,000
Net Income	$ 7,147,000	$ 15,419,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,611,000 in 1990 and $7,575,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 18,571,000	$ 13,570,000
Accts. receiv., net	43,219,000	46,142,000
*Inventories	39,008,000	33,043,000
Other curr. assets	2,129,000	2,924,000
Net assets-discont. oper.	6,994,000	6,253,000
Current Assets	$ 109,921,000	$ 101,932,000
#Fixed assets	49,040,000	43,792,000
Other assets	1,620,000	1,914,000
Net assets-discont. oper.	34,030,000	36,658,000
Total Assets	$ 194,611,000	$ 184,296,000

Liabilities

Amts. due to banks	$ 5,381,000	$ 7,705,000
Long-term debt, curr.	5,338,000	7,981,000
Accts. payable	12,240,000	13,153,000
Advances from customers	3,877,000	8,321,000
Accrued payroll	8,475,000	8,508,000
Income taxes	3,073,000	2,611,000
Other curr. liab.	6,372,000	8,107,000
Curr. Liabilities	$ 44,756,000	$ 56,386,000
Long-term debt	23,903,000	14,846,000
Def. income taxes	2,262,000	2,354,000
Accrued empl. benefits	4,451,000	3,005,000
+Common stock	5,766,000	5,727,000
Add. paid-in capital	11,731,000	11,384,000
Retained earnings	98,512,000	92,228,000
For. curr. trans. adjust.	3,230,000	(1,634,000)
Total Liabilities & Shareholders' Equity	$ 194,611,000	$ 184,296,000

* At lower of cost (primarily LIFO) or market. Remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Net Income to Equity	5.99	14.31
Sales to Inventories	4.51	4.91
Debt to Equity	0.25	0.28
Working Capital	$ 65,165,000	$ 45,546,000
Current Ratio	2.46	1.81
Shareholders' Equity	$ 119,239,000	$ 107,705,000

Gould Inc.

35129 Curtis Boulevard
Eastlake, Ohio 44095
(216) 953-5000
FAX: (216) 953-5050

NOTE: Gould was acquired by Nippon Mining Co., Ltd. in 1988, and has become a wholly-owned subsidiary of that company. Therefore, there is no financial information available for Gould.

Officers: C. David Ferguson, president & chief executive officer; Jerry W. Gaskin, sr. v.p.-administration & chief financial officer; Joseph L. Augustine, v.p.-operations & controller; Robert J. Fedor, v.p.-corporate business development; L. Joseph Huss, v.p.-human resources; Tibor Kalnoki-Kis, v.p.-technology/corporate; John L. Monaco, v.p.-tax & treasurer; Edward L. Morrison, group v.p.-test & measurement; Peter Peckham, pres. & gen. mgr.-the Foil Business Group; Herbert F. Schrader, v.p.-Gould Europe; Michael C. Veysey, v.p.-secretary & general counsel; Conrad J. Wredberg, group v.p.-semiconductors; William Trotman, pres. & gen. mgr.-Circuit Protection.

Areas of Work: Develops, manufactures and markets materials, components and instrumentation. Five divisions comprise the businesses of Gould for approximately one half billion dollars in annual sales: Circuit Protection, Fiber Optics, Foil, Semiconductors, and Test & Measurement.

Divisions:

Circuit Protection Business
374 Merrimac Street
Newburyport, Massachusetts 01950
(508) 462-6662
FAX: (508) 462-0181

Manufactures low and medium voltage fuses, fuse blocks, power distribution blocks and Taylor wiring duct for commercial and industrial applications.

Fiber Optics Business
6740 Baymeadow Drive
Suite D
Glen Burnie, Maryland 21061
(301) 787-2802
FAX: (301) 787-2831

Manufactures fiber optic couplers.

Foil Business
35129 Curtis Blvd.
Eastlake, Ohio 44095
(216) 953-5000
FAX: (216) 953-5050

Produces electro-deposited copper foil used in the manufacture of printed circuit boards, and fiber optic couplers.

Semiconductor Business
2300 Buckskin Road
Pocatello, Idaho 83021
(208) 233-4690
FAX: (208) 233-4690

Manufactures custom and semicustom MOS/VLSI integrated circuits, microprocessors, communications ICs, electronically eraseable programmable logic devices and read-only-memory (ROM) chips.

Test and Measurement Business
3631 Perkins Avenue
Cleveland, Ohio 44114
(216) 881-4256
FAX: (216) 328-7400

Manufacturers of electronic, physical and medical based test & measurement products and systems, including direct writing oscillographs, array recording systems, digital storage oscilloscopes, signal conditioners, and computer based data acquisition systems.

Number of Employees:

1990	4,500	1987	10,126
1989	4,500	1986	10,613
1988	N.A.		

N.A.-Not Available

W.W. Grainger, Inc.

5500 West Howard Street
Skokie, Illinois 60077
(708) 982-9000
FAX: (708) 982-1673

Officers: David W. Grainger, chairman; Wiley N. Caldwell, president; Donald E. Bielinski, v.p. & chief financial officer; James M. Baisley, v.p. & gen. counsel; Mark S. Hoffman, v.p.-planning & development; Edward C. Bender, v.p.-information services; Lee J. Flory, v.p. & secretary; Jere D. Fluno, vice chairman; Neal Ormond, III, v.p.-human resources; Robert D. Pappano, v.p. & treasurer; Richard D. Quast, v.p.-real estate; Paul J. Wallace, v.p. & controller.

Directors: David W. Grainger, chairman; George R. Baker, Wiley N. Caldwell, Kingman Douglass, Robert E. Elberson, Jere D. Fluno, Wilbur H. Gantz, John W. McCarter, Jr., James D. Slavik, Harold Byron Smith, Jr., Fred L. Turner.

Areas of Work: Nationwide distributor of equipment, components, and supplies to the commercial, industrial, contractor, and institutional markets.

Divisions:

Parts Company of America
Buffalo Grove, Illinois

Granger Division
Chicago, Illinois

Transfer Agent(s):

The First National Bank of Boston
Capital Markets Technologies/Shareholder Services
P.O. Box 644 -- Mail Stop 45-02-09
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York, Midwest

Ticker Symbol: GWW

Number of Employees:

1990	8,649	1987	6,258
1989	7,646	1986	5,578
1988	7,209		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 1,935,209,000	$ 126,775,000
1989	1,727,454,000	119,563,000
1988	1,535,468,000	108,832,000
1987	1,320,797,000	90,506,000
1986	1,159,595,000	86,112,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	27,452,646	$ 4.62
1989	27,259,837	4.39
1988	27,786,971	3.92
1987	28,843,674	3.14
1986	29,118,125	2.96

+ Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.13	—	—
1989	1.00	—	—
1988	0.86	—	—
1987	0.78	—	—
1986	0.71	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 815,353,000	$ 29.70
1989	731,664,000	26.84
1988	635,482,000	22.87
1987	581,213,000	20.15
1986	582,091,000	19.99

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,935,209	$ 1,727,454
Cost of sales	1,259,039	1,125,510
Expenses	472,454	410,884
Interest expense	1,641	1,156
Interest income	(6,550)	(4,366)
Other expense (income)	134	(2,241)
Income before taxes	$ 208,491	$ 196,511
Income taxes	81,716	76,948
Net Income	$ 126,775	$ 119,563

* Included in Costs and Expenses, Depreciation and Amortization: $33,082,000 in 1990 and $33,312,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash-equiv.	$ 147,472	$ 81,439
Accts. receiv., net	220,468	220,286
*Inventories	416,651	412,365
Prepaid expenses	7,708	6,007
Deferred inc. tax benefits	36,782	35,116
Current Assets	$ 828,581	$ 755,213
#Fixed assets	311,576	302,289
Other assets	22,280	7,743
Total Assets	$ 1,162,437	$ 1,065,245

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 22,628	$ 26,649
Accts. payable	138,141	135,228
Accrued profit-sharing	30,269	26,289
Other accruals	64,762	55,122
Income taxes	12,732	18,316
Curr. Liabilities	$ 268,534	$ 261,604
Long-term debt	14,471	2,776
Deferred inc. taxes	51,154	58,275
Accrued postretire. benefits	12,925	10,926
+Common stock	27,054	27,249
Add. paid-in capital	71,062	47,378
Guarantee of ESOP debt	(598)	(659)
Retained earnings	717,835	657,696
Total Liabilities & Shareholders' Equity	$ 1,162,437	$ 1,065,245

* At lower of cost (LIFO) or market
# Less accumulated depreciation or amortization
+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	10.77	11.38
% Net Income to Sales	6.55	6.92
% Net Income to Equity	15.55	16.34
Sales to Inventories	4.64	4.19
Debt to Equity	0.05	0.04
Working Capital	$ 560,047,000	$ 493,609,000
Current Ratio	3.09	2.89
Shareholders' Equity	$ 815,353,000	$ 731,664,000

Graphic Scanning Corp.

25 Rockwood Place
Englewood, New Jersey 07631
(201) 894-8000

Officers: Daniel Rubin, chairman of the board; Robert Cymbala, president & chief exec. officer; William S. Wheatley, Jr., sr. exec. v.p. & chief administrative officer; Jay A. Disler, v.p., chief financial officer & asst. secretary; Ronald P. Vicari, v.p.-engineering; Arnold S. Jacobs, secretary.

Directors: Daniel Rubin, chairman; Robert J. Cymbala, Martin Beck, Arnold S. Jacobs, Howard Mescon, John A. Morgan, Robert P. Shapiro, Stephen R. Petschek, Robert Price, James L. Greenwald.

Areas of Work: The company provides one-way radio paging services and two-way mobile telephone services in the United States and in the United Kingdom. The company also designs and manufactures voice digitizers used in secure voice and data communications systems, secure facsimile machines, radio paging terminals, voice message storage and retrieval equipment and telephone answering equipment.

Divisions and Subsidiaries:

Digital Paging Systems, Inc.
25 Rockwood Place
Englewood, New Jersey 07631

Securities Services Division
29 Broadway
New York, New York 10006
Provides specialized data and message processing services for investment banks, commercial banks and their counsel.

Radio Relay Corp.-Delaware
25 Rockwood Place
Englewood, New Jersey 07631

Spectrum Communications & Electronics Corp.
62 Bethpage Road
Hicksville, New York 11801
Designs, develops, manufactures and markets radio paging terminals, voice message storage and retrieval equipment and telephone answering equipment.

Switchco, Inc.
Time and Space Processing, Inc.
705 East Evelyn Avenue
Sunnyvale, California 94086
Designs, develops, manufactures and markets narrow band voice digitizers.

Digital Mobile Communications, Ltd.
Delaware
Provides radio paging and VHF paging services, and mobile radio cellular telephone services.

GSC Service Corp.
GSC of Nevada, Inc.
Radio Relay-Digital Paging Corp.
Digital Paging Systems, Inc.
Tel-Car Corp.
Electropage, Inc.
Colgan Communications, Inc.
Beeper Marketing of New York, Inc.
Cellular Mobile Systems of Illinois, Inc.
Cellular Mobile Systems of Indiana, Inc.
Broadcast Data Corp.

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GSCC (NASDAQ)

Number of Employees:

1990	1,200	1987	1,600
1989	1,160	1986	1,700
1988	1,500		

Plant Footage:

1990	35,000 sq. ft.	1987	68,000
1989	N.A.	1986	93,000
1988	50,000		

N.A. / Not Available

Sales & Earnings

	Net Sales +	Net Income
1990	$ 101,676,000	$ (47,458,000)
1989	89,902,000	(25,547,000)
1988	89,897,000	47,978,000
1987	89,620,000	75,727,000
1986	94,303,000	(49,877,000)

	No. of Com Shares #	Earn. per Share #
1990	32,349,000	$ —
1989	32,653,000	—
1988	38,824,000	1.31
1987	48,333,000	1.73
1986	37,744,481	—

(Loss)
+ Of continuing operations only
# Based on the average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990	1989
Radio common carrier	$ 80,242,000	$ 75,259,000
Communications equip. mfr	18,305,000	11,752,000
Other	3,129,000	2,891,000
Total	$ 101,676,000	$ 89,902,000

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ (1,096,000)	$ —
1989	45,411,000	1.39
1988	75,328,000	1.94
1987	47,720,000	0.99
1986	6,304,965	0.17

(Deficiency)
Based on the average number of common shares and common share equivalents outstanding.

Income Account

Year ended June 30	1990	1989
Net sales & services	$ 101,676,000	$ 89,902,000
Cost of sales & services	45,321,000	42,843,000
Expenses	59,138,000	55,317,000
Depreciation & amortization	13,116,000	15,247,000
Res. & develop.	3,340,000	3,031,000
Prov. for restrut.	—	3,316,000
Gain on sales of bus. uni	(347,000)	—
Interest income	(2,269,000)	(4,780,000)
Interest expense	8,301,000	5,028,000
Eq. in losses (earn.) of joint ventures	1,192,000	(159,000)
Prov. for litigation exp.	23,050,000	1,683,000
Minority interest	—	(1,007,000)
Other expense (income)	102,000	(640,000)
Loss before taxes	$ (49,268,000)	$ (29,957,000)
Tax credit	(2,292,000)	(7,594,000)
Loss-cont. oper	$ (46,976,000)	$ (22,363,000)
Loss-discont. oper	(482,000)	(3,184,000)
Net Loss	$ (47,458,000)	$ (25,547,000)

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 9,532,000	$ 24,019,000
Accts. receiv., net	7,541,000	6,970,000
*Inventories	12,990,000	8,258,000
Interest & other receiv.	2,146,000	4,911,000
Restricted cash	1,840,000	—
Other current assets	2,381,000	3,221,000
Current Assets	$ 36,430,000	$ 47,406,000
#Fixed assets	37,458,000	35,057,000
Invest. in joint ventures	30,934,000	18,926,000
Cert. of Authority	25,378,000	26,153,000
Deferred costs	10,927,000	5,293,000
Refund. income taxes	—	2,287,000
Other assets	1,407,000	3,954,000
Total Assets	$ 142,534,000	$ 139,076,000

Liabilities

Short-term bank borrowings	$ 32,000,000	$ —
Long-term debt, curr.	8,054,000	2,865,000
Long-term debt in default	18,079,000	—
Accts. payable & accruals	31,351,000	21,567,000
Reserves for litig. expenses	2,889,000	13,940,000
Income taxes pay.	2,475,000	5,284,000
Curr. Liabilities	$ 94,848,000	$ 43,656,000
Long-term debt	44,805,000	47,730,000
Other liabilities	3,977,000	2,279,000
+Common stock	335,000	334,000
Add. paid-in capital	47,909,000	47,283,000
Retained earnings (deficit)	(42,275,000)	5,183,000
Treasury stock	(7,014,000)	(7,014,000)
Deferred comp.	(51,000)	(375,000)
Total Liabilities & Shareholders' Equity	$ 142,534,000	$ 139,076,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value

Statistical Summary

Debt to Equity	—	1.11
Working Capital	—	$ 3,750,000
Current Ratio	—	1.09
Shareholders' Equity (Deficiency)	$ (1,096,000)	$ 45,411,000

Grumman Corporation

1111 Stewart Avenue
Bethpage, New York 11714-3580
(516) 575-0574
FAX: (516) 575-3691

Officers: Renso L. Caporali, chairman & CEO; Robert J. Myers, president & COO; Robert G. Freese, vice chairman-finance & treasurer; Thomas J. Kane, Jr., sr. v.p.-Business Development; Natale P. Busi, v.p. & controller; John J. Carroll, v.p.-community affairs; Nat P. Busi, v.p. & controller; Jacob J. Busselini, Jr., v.p.-Business Operations; Howard J. Dunn, Jr., v.p.-audit; Robert P. Harwood, v.p.-public affairs; Robert Simon, v.p.-corporate procurement; Thomas L. Genovese, v.p. & general counsel; Robert W. Bradshaw, v.p. & secretary; Peter F. Barry, v.p.-Washington operations; David L. Walsh, v.p.-marketing; Richard G. Anderson, v.p.-technology development; Dean G. Cassell, v.p.-product integrity & environmental protection; Steven Dely, v.p. & asst. to the chairman; Thomas J. McKee, v.p.-business development, Washington operations; Richard A. Milburn, v.p.-international affairs, Washington operations; Thomas J. McGrath, v.p.-corp. mfg.; Edward B. Jacobs, asst. treasurer; William R. Parmentier, Jr., asst. treasurer; William Wachino, Jr., asst. treasurer; Stephanie Josiah, asst. secretary

Directors: John O'Brien*, chairman; Kenneth S. Axelson; Ellis L. Phillips, Jr.*; Archie E. Albright*; Robert G. Freese; Lucy W. Benson; John T. Sargent; Orville L. Freeman; Edward W. Brooke; Renso L. Caporali*; Victor Hao Li; Charles Marshall; David L. Luke, III*

* Member of the Executive Committee

Areas of Work: Manufactures military aircraft, spacecraft, commercial aircraft components and subassemblies, sophisticated electronics for aircraft, computerized test equipment and other defense-related products such as airborne surveillance systems, boat and truck bodies, fire apparatus and buses. Also provides services in the field of computer programming.

Divisions:

Aircraft Systems Division
Allied Division
Data Systems Division
Melbourne Systems Division
Space Station Program Support Division
Technical Services Division
Space and Electronics Division

Subsidiaries:

Grumman Aerospace Corporation
Grumman Allied Industries, Inc.
Grumman Data Systems Corporation
Grumman Credit Corporation
Paumanock Insurance Company, Ltd.

Tachonics Corporation
Plainsboro, New Jersey
Designs and manufactures integrated circuits using gallium arsenide.

Transfer Agent(s):

The Bank of New York
Corporate Trust-22nd Floor
101 Barclay Street
New York, New York 10286

Stock Exchange(s): New York, Midwest, Pacific, Philadelphia, Boston, Tokyo

Ticker Symbol: GQ

Number of Employees:

1990	26,100	1987	33,700
1989	28,900	1986	32,400
1988	32,000		

Plant Footage:

1990	15,884,000 sq. ft.	1987	14,487,000
1989	N.A.	1986	13,914,000
1988	15,099,000		

N.A.-Not Available

Sales & Earnings

	Net Sales *	Net Income
1990	$ 4,041,308,000	$ 85,572,000
1989	3,558,820,000	67,264,000
1988	3,648,892,000	86,465,000
1987	3,375,260,000	35,650,000
1986	3,501,911,000	78,690,000

	No. of Com Shares	Earn. per Share #
1990	32,797,776	$ 2.48
1989	32,966,991	1.91
1988	32,720,816	2.50
1987	32,664,916	0.94
1986	32,603,690	2.32

* Including other income, of continuing operations only
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1990	1989
Aerospace	$ 2,922,398	$ 2,532,547
Electronics systems	493,040	445,805
Information & other svcs	642,635	589,568
Special vehicles	390,789	399,370
Corp. items & eliminations	(407,556)	(408,470)
Total	$ 4,041,306	$ 3,558,820

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.00	—	—
1989	1.00	—	—
1988	1.00	—	—
1987	1.00	—	—
1986	1.00	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1990	$ 867,514,000	$ 26.45
1989	817,671,000	24.80
1988	782,169,000	23.90
1987	727,414,000	22.27
1986	721,882,000	22.14

‡ After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 3,990,385	$ 3,506,348
Other income	50,921	52,472
Total income	$ 4,041,306	$ 3,558,820
Cost of sales	3,701,020	3,242,033
Expenses	111,523	115,396
Interest expense	98,791	105,327
Income before taxes	$ 127,972	$ 96,064
Income taxes	42,400	28,800
Net Income	$ 85,572	$ 67,264

* Included in Costs and Expenses, Depreciation and Amortization: $105,281,000 in 1990 and $117,455,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 21,554	$ 19,764
Market securities	53,847	42,095
Accts recvs., net	679,093	709,560
*Inventories	949,552	1,028,924
Prepaid expenses	41,628	48,187
Current Assets	$ 1,745,674	$ 1,848,530
#Fixed assets	478,144	539,207
Long-term recvs	31,621	44,016
Investments	70,170	87,194
Other assets	128,515	72,115
Total Assets	$ 2,454,124	$ 2,591,062

Liabilities
(000's)

	1990	1989
Short-term debt	$ 24,930	$ 102,789
Accts. payable	223,269	263,857
Accrued payroll	93,478	96,491
Income taxes	69,357	154,700
Advances & deposits	29,506	21,983
Other curr. liabilities	112,740	119,796
Curr. Liabilities	$ 553,280	$ 759,576
Long-term debt	752,108	846,423
Def. inc. taxes	93,666	46,069
Other liab.	150,191	83,762
+ Preferred stock		
Redeemable	32,265	37,479
Non-redeemable	80	82
++ Common stock	313,916	316,859
Treasury stock	(3,529)	(929)
Restricted stock	(13,377)	(19,874)
Retained earnings	570,504	521,615
Total Liabilities & Shareholders' Equity	$ 2,454,124	$ 2,591,062

* At lower of cost (average, FIFO and LIFO) or realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value. Redeemable preferred, $2.80 cumulative; non-redeemable, $0.80 convertible.
++ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.21	2.74
% Net Income to Sales	2.14	1.92
% Net Income to Equity	9.86	8.23
Sales to Inventories	4.20	3.41
Debt to Equity	0.90	1.16
Working Capital	$ 1,187,394,000	$ 1,088,954,000
Current Ratio	3.13	2.43
Shareholders' Equity	$ 867,594,000	$ 817,753,000

GTE Corporation

One Stamford Forum
Stamford, Connecticut 06904
(203) 965-2000
FAX: (203) 965-2277

Officers: James L. Johnson, chairman & chief exec. officer; Charles R. Lee, president & chief operating officer; Edward C. Schmults, sr. v.p.-external affairs & gen. counsel; Nicholas L. Trivisonno, sr. v.p.-finance; Edward C. MacEwen, v.p.-corporate communications; Bruce Carswell, sr. v.p.-human resources & administration; Samuel F. Shawhan, Jr., v.p.-government affairs; Bruce E. Haddad, v.p. & controller; James Murphy, v.p. & treasurer; Timothy P. Murphy, v.p. & treasurer; John C. Redmond, v.p.-research & engineering & pres.-GTE Laboratories; Marianne Drost, corp. secretary; Donald A. Mitchell, v.p.-planning & development; John P.Z. Kent, v.p.-taxes; D. Otis Wolkins, v.p.-quality services.

Directors: James R. Barker, T. Justin Moore, Jr., Sandra O. Moose, Edward C. Schmults, Richard W. Jones, James W. Walter, James L. Johnson, Edwin L. Artzt, Edward H. Budd*, James L. Ketelsen*, Russell E. Palmer*, Robert D. Storey, George V. Grune, Roger W. Stone, Bruce Carswell, Charles R. Lee, Michael T. Masin.

* Member of the Executive Committee.

Areas of Work: GTE has three core businesses: telecommunications, lighting products and precision materials. In telecommunications, the corporation provides local telephone service in portions of 31 states, two Canadian provinces and the Dominican Republic. Telecommunications systems and services and Sylvania lighting products and precision materials are marketed in the United States and 41 other countries.

Divisions:

GTE Telephone Operations
Provides local phone service to more than 14 million customers in portions of 31 states and two foreign countries.

GTE Mobile Communications
Mobile cellular telecommunications products and services; radio paging service and products; and air-to-ground communications.

GTE Government Systems
Command, control, communications and intelligence systems; electronic defense systems; communication switching and information systems.

GTE Information Services
Information marketing and networking via telephone directories; applications software; network services and system integration.

GTE Spacenet
Operates a nationwide satellite communications system.

AG Communications Systems
Develops, manufactures, and markets advanced digital central office switching systems in a joint venture with AT&T.

GTE's Lighting Business
Manufactures more than 6000 types of Sylvania lamps; automotive lighting products, lamp fixtures and lighting components.

GTE Precision Materials
Manufactures metal, plastic, ceramic and other precision-engineered materials; specialty and refractory metals; high-purity chemicals and electronic assemblies.

GTE Laboratories
Basic and applied research in communications, lighting, and precision materials.

Transfer Agents(s):

GTE Shareholder Services Incorporated
P.O. Box 37
North Quincy, Massachusetts 02171

State Street Bank and Trust Company
61 Broadway
New York, New York 10004

State Street Bank and Trust Company
P.O. Box 5003
Boston, Massachusetts 02107

Stock Exchange(s): New York, Midwest, Pacific, London, Amsterdam, Basel, Geneva, Lausanne, Zurich, Paris, Tokyo

Ticker Symbol: GTE

Number of Employees:

1990	154,000	1987	161,000
1989	158,000	1986	161,000
1988	159,000		

Sales & Earnings

	Revenues & Sales ‡ (000's)	Net Income (000's)
1990	$ 18,374,000	$ 1,541,000
1989	17,424,360	1,417,270
1988	16,459,852	1,224,681
1987	15,421,030	1,118,817
1986	15,111,528	1,184,312

	No. of Com. Shares #	Earn. per Share #
1990	664,000,000	$ 2.26
1989	659,000,000	2.08
1988	657,000,000	1.79
1987	658,000,000	1.65
1986	653,000,000	1.77

(Loss)
‡ Of continuing operations only.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1990	$ 1.52	—	2-for-1
1989	1.40	—	—
1988	1.30	—	—
1987	1.24	—	—
1986	1.10	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity + (000's)	Equity Per Share ‡
1990	$ 8,637,000	$ 12.90
1989	7,934,644	12.01
1988	8,126,514	12.46
1987	7,759,259	11.92
1986	7,663,121	11.61

+ After allowing for no par preferred stock at stated value and $50 par value preferred stock at par.
‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Revenues and Sales:		
Telephone oper	$ 12,762,000	$ 12,459,314
Other oper	5,612,000	4,965,046
Total income	$ 18,374,000	$ 17,424,360
Costs & expenses:		
Telephone oper	9,703,000	9,620,303
Other oper	5,219,000	4,614,827
Interest expense	1,011,000	898,864
Other expense	211,000	226,304
Income bef. taxes	$ 2,230,000	$ 2,064,062
Income taxes	689,000	646,792
Net Income	$ 1,541,000	$ 1,417,270

* Included in Costs and Expenses: Depreciation and Amortization: $2,753,000,000 in 1990 and $2,641,000,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & temp. invest	$ 411,000	$ 395,802
Rcvbls., net	3,330,000	3,191,091
*Inventories	1,376,000	1,416,118
Deferred tax benefits	322,000	307,884
Other curr. assets	415,000	286,402
Current Assets	$ 5,874,000	$ 5,597,297
#Fixed assets	24,532,000	23,700,219
Investments & other assets	3,363,000	2,688,980
Total Assets	$ 33,769,000	$ 31,986,496

Liabilities
(000's)

Short-term oblig.	$ 1,256,000	$ 1,049,857
Accts. payable	1,902,000	1,918,604
Accrued taxes	645,000	708,325
Dividends payable	292,000	271,787
Accrued interest	274,000	233,397
Advance billings	247,000	239,511
Other curr. liab.	1,095,000	1,281,675
Curr. Liabilities	$ 5,711,000	$ 5,703,176
Long-term debt	11,974,000	10,909,397
Reserves & deferred credits	5,629,000	5,624,976
Minority interest in eq. of subsid.	1,142,000	1,070,302
+Redeem. pref. stock	213,000	275,958
++Preferred stock		
Auction rate	345,000	345,000
$2.475 series	100,000	100,000
$2.00 convert	7,000	11,010
+++Preferred stock		
Convertible	10,000	10,620
Nonconvertible	1,000	1,413
++++Common stock	35,000	35,197
Add. paid-in capital	5,435,000	5,348,840
Retained earnings	4,929,000	4,428,072
For. curr. trans. adjust	(12,000)	(11,036)
Guaranteed ESOP oblig.	(693,000)	(700,000)
Treasury stock	(1,057,000)	(1,166,429)
Total Liabilities & Shareholders' Equity	$ 33,769,000	$ 31,986,496

* At lower of cost (average or FIFO) or market.
# Less accumulated depreciation.
+ $50 par value.
++ No par value. Auction rate averages 7.29% and 6.86%.
+++ $50 par value. Convertible rate averages 5.05% and 5.06%; nonconvertible rate 4.40%.
++++ $0.05 par value.

Statistical Summary

% Income bef. Taxes to Total Income	12.14	11.85
% Net Income to Total Income	8.39	8.13
% Net Income to Equity	16.93	16.87
Debt to Equity	1.45	1.42
Working Capital	$ 163,000,000	—
Current Ratio	1.03	—
Shareholders' Equity	$ 9,100,000,000	$ 8,402,687,000

GTI Corporation

9171 Towne Centre Drive
Suite 355
San Diego, California 92122
(619) 578-3111
FAX: (619) 546-0568

Officers: Cyril Newnham, chairman of the Board; Gary L. Luick, president & chief executive officer; John C. Brittain, v.p.-GTI corp. & president-Electronics group; Remo A. Ionni, v.p., & president-Circuits Group; Richard C. Roessler, v.p., controller & secretary; Phillip L. Naylor, v.p., & president-Distribution Group; Douglas J. Downs, treasurer.

Directors: Cyril Newnham, chairman; William S. Ivans, John C. Brittain, Remo A. Ionni, Charles R. Collins, Phillip L. Naylor, Roy C.G. Cotterill, Gary L. Luick.

Areas of Work: Manufactures a variety of electronic and electronic component parts, circuit boards and processing equipment. Principal products include glass-to-metal seals, welded metal leads, rolled pins, die stamped, etched flexible and etched rigid circuit boards, and electronic component processing equipment.

Divisions:

Circuits Division
P.O. Box 217
Leesburg, Indiana 46538
(219) 453-3261

Manufactures die stamped printed circuits with its major markets being the automotive industry.

Electronics Division
R.D. 2, P.O. Box 2096
Hadley, Pennsylvania 16130
(412) 253-3161

Produces a line of two and three piece welded leads and filaments, straight cut lead and rolled pins, intricate metal forms, headed and formed leads, semiconductor leads, wire welds, welded cap and assemblies and lamp leads.

GTI - Ireland, Ltd.
Industrial Estates
Abbeyfeale
County Limerick, Republic of Ireland

Manufactures two piece welded diode leads.

Electronic Supply Corporation
1099 West La Cadena Drive
Riverside, California 92501
(714) 787-9220

Distributes electronic components, specialized wire and cable products and electromechanical devices, and provides value added assembly services.

Acquisition:

Valor Electronics
San Diego, California

Transfer Agent(s):

Mellon Bank, N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: GTI

Number of Employees:

1990	350	1987	N.A.
1989	450	1986	343
1988	454		

N.A. - Not Available.

Plant Footage:

1990	129,400 sq. ft.	1988	129,400
1989	129,400		

Sales & Earnings

	Revenues	Net Income
1990	$ 54,275,000	$ 2,332,000
1989	41,390,000	1,969,000
1988	32,602,000	1,864,000
1987	20,698,000	1,213,000
1986	16,372,000	(3,639,000)

	No. of Com. Shares	Earn. per Shares †
1990	7,507,775	$ 0.29
1989	5,007,775	0.29
1988	4,998,775	0.29
1987	5,638,775	0.23
1986	3,461,775	—

(Loss)
† Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1990	1989
Electronic & elec. components & equip.	$ 16,830,000	$ 14,136,000
Circuit boards	6,503,000	7,834,000
Distribution products	18,522,000	19,420,000
Networking components	12,420,000	—
Total	$ 54,275,000	$ 41,390,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 27,347,000 ‡	$ 3.64
1989	17,473,000 ‡	3.49
1988	15,680,000 ‡	3.14
1987	16,944,000	3.00
1986	7,020,000	2.03

‡ After allowing for preferred stock at liquidation value.

GTI Corporation

Income Account *

Year ended Dec. 31	1990	1989
Net revenues	$ 54,275,000	$ 41,590,000
Cost of revenues	38,336,000	30,246,000
Expenses	12,184,000	8,669,000
Interest expense	402,000	27,000
Interest income	(253,000)	(366,000)
Other income	(147,000)	(135,000)
Income bef. taxes	$ 3,753,000	$ 2,949,000
Income taxes	1,240,000	980,000
Minority interest	181,000	—
Net Income	$ 2,332,000	$ 1,969,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,799,000 in 1990 and $1,270,000 in 1989

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 2,980,000	$ 3,828,000
Marketable secur.	—	2,000,000
Recvs., net	8,580,000	5,133,000
*Inventories	8,410,000	5,824,000
Prepaid expenses	585,000	242,000
Current Assets	$ 20,555,000	$ 17,027,000
#Fixed assets	6,443,000	4,745,000
Goodwill	23,403,000	7,412,000
Total Assets	$ 50,401,000	$ 29,184,000

Liabilities

	1990	1989
Notes payable	$ 218,000	$ —
Long-term debt, curr.	457,000	130,000
Accts. payable	3,294,000	1,890,000
Accruals	3,087,000	1,338,000
Accrued inc. taxes	1,090,000	71,000
Curr. Liabilities	$ 8,146,000	$ 3,429,000
Long-term debt	3,957,000	—
Other liabilities	350,000	172,000
Minority interest	491,000	—
+Preferred stock	8,110,000	8,110,000
++Common stock	326,000	226,000
Add. paid-in capital	24,487,000	17,087,000
Retained earnings	4,103,000	2,055,000
Treasury stock	(2,703,000)	(2,703,000)
Cum. trans. adj.	1,134,000	808,000
Total Liabilities & Shareholders' Equity	$ 50,401,000	$ 29,184,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; $35.00 cumulative convertible.
++ $0.04 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	6.91	7.12
% Net Income to Sales	4.30	4.76
% Net Income to Equity	6.58	7.70
Debt to Equity	0.19	0.01
Working Capital	$ 12,409,000	$ 13,598,000
Current Ratio	2.52	4.97
Shareholders' Equity	$ 35,457,000	$ 25,583,000

Hadco Corporation

10 Manor Parkway
Salem, New Hampshire 03079
(603) 898-8000
FAX: (603) 898-6227

Officers: Horace H. Irvine, II, chairman; Jon F. Kropper, president & chief exec. officer; Dana R. Schofield, vice president; Patrick Sweeney, chief operating officer, vice president & treasurer; Rodney P. DeRego, v.p.; Andrew E. Lietz, v.p.-sales; James C. Hamilton, clerk.

Directors: Horace H. Irvine, II, chairman of the board; Jon F. Kropper, J. Stanley Hill, John O. Irvine, Robert F. Collings, Frank W. Haydu, III, Oliver O. Ward.

Areas of Work: Manufactures multilayer and dense two-sided printed circuits which it markets to the computer, telecommunications, and other electronic industry segments.

Divisions:

Sales & Marketing
Salem, New Hampshire 03079

Backplane Division
Salem, New Hampshire 03079

Derry Division
Derry, New Hampshire 03038

Owego Division
Owego, New York 13827

Tech Center One
Salem, New Hampshire 03079

Tech Center Two
Watsonville, California 95076

Subsidiary:

Circuit Image Industries, Inc.
Hudson, New Hampshire 03051

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HDCO (NASDAQ)

Number of Employees:

1990	1,688	1987	1,528
1989	1,642	1986	1,322
1988	1,657		

Plant Footage:

1990	423,700 sq. ft.	1987	261,000
1989	309,700	1986	261,000
1988	261,000		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 160,957,000	$ 7,692,000
1989	155,846,000	4,818,000
1988	144,344,000	4,488,000
1987	124,255,000	2,596,000
1986	98,358,000	(9,698,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1990	11,897,483	$ 0.65
1989	12,060,359	0.40
1988	12,327,841	0.36
1987	12,053,421	0.22
1986	9,008,678	—

(Loss)
+ Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 48,208,000	$ 4.05
1989	44,117,000	3.66
1988	38,219,000	3.10
1987	35,184,000 †	2.92
1986	32,137,000 †	3.57

† After allowing for preferred stock at liquidation value
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account*
(000's)

Year ended	10/27/90	10/28/89
Net sales	$ 160,957	$ 155,846
Cost of sales	129,085	126,390
Expenses	18,077	19,278
Interest income	(1,132)	(534)
Interest expense	2,518	2,682
Income before taxes	$ 12,409	$ 8,030
Income taxes	4,717	3,212
Net Income	$ 7,692	$ 4,818

* Included in Costs and Expenses, Depreciation and Amortization: $10,742,000 in 1990 and $11,853,000 in 1989

Assets
(000's)

As of	10/27/90	10/28/89
Cash & short-term invest.	$ 18,653	$ 19,640
Short-term invest.	2,000	—
Accts. recov., net	17,074	16,340
*Inventories	9,288	10,316
Prepaid expenses	1,290	815
Current Assets	$ 48,305	$ 47,111
#Fixed assets	43,145	41,896
Other assets	442	571
Total Assets	$ 91,892	$ 89,578

Liabilities
(000's)

	10/27/90	10/28/89
Long-term debt & cap. lease oblig., curr.	$ 6,745	$ 7,008
Accts. payable	11,433	11,268
Accrued payroll	6,587	5,306
Other accruals	3,100	2,609
Curr. Liabilities	$ 27,865	$ 26,191
Long-term debt & cap. lease oblig.	13,816	17,812
Deferred inc. taxes	2,003	1,458
+Common stock	506	548
Add. paid-in capital	21,301	21,096
Deferred compensation	(2,666)	(3,732)
Retained earnings	29,067	26,205
Total Liabilities & Shareholders' Equity	$ 91,892	$ 89,578

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.05 par value

Statistical Summary

	10/27/90	10/28/89
% Income bef. Taxes to Sales	7.71	5.15
% Net Income to Sales	2.92	3.09
% Net Income to Equity	9.73	10.92
Sales to Inventories	17.33	15.11
Debt to Equity	0.43	0.56
Working Capital	$ 20,440,000	$ 20,920,000
Current Ratio	1.73	1.80
Shareholders' Equity	$ 48,208,000	$ 44,117,000

Halliburton Company

3600 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201-3391
(214) 978-2600
FAX (214) 978-2611

Officers: Thomas H. Cruikshank, chairman & chief executive officer; Dale P. Jones, president; Lester L. Coleman, exec. v.p.-finance & corp. development; Guy T. Marcus, v.p.-investor relations; C. Robert Fielder, v.p. & treasurer; Robert M. Kennedy, v.p.-legal; Jack R. Skinner, v.p.-taxes; Susan S. Keith, v.p. & corp. secretary; Karen S. Stuart, v.p.-administration; Jerry H. Blurton, v.p. & controller

Directors: Anne L. Armstrong, Thomas H. Cruikshank, James W. Glanville, F.L. Williamson, Edwin L. Cox, Robert L. Crandall, F. James McDonald, The Rt. Hon. Lord Clitheroe, Robert W. Campbell, Dale P. Jones

Divisions and Subsidiaries:

Oil Field Services Group

Halliburton Services Division
2700 Post Oak Boulevard
Suite 2000
Houston, Texas 77056
(713) 840-2700
Oil field services and products

Otis Engineering Corporation
2601 Beltline Road
Carrollton, Texas 75006
Specialized equipment and services for the completion, production and control of oil and gas wells

Halliburton Logging Services, Inc.
2135 Highway 6 South
Houston, Texas 77242
(713) 496-8100
Computerized wireline well logging and jet perforating services and equipment

Halliburton Resource Management Division
1525 Elm Street
Dallas, Texas 75201
(214) 954-6100
Renting equipment for compression, gas processing and production

Halliburton Reservoir Services Division
5950 North Course Drive
Houston, Texas 77072
(713) 561-1450
Well testing and reservoir evaluation services

Halliburton Geophysical Services, Inc.
6909 Southwest Freeway
Houston, Texas 77074
(713) 774-7561
Geophysical contracting services

Jet Research Center, Inc.
2001 South I-35
Arlington, Texas 76009-9775
(817) 783-5111
Explosive products and services for petroleum, marine and defense/aerospace industries

Sierra Geophysics, Inc.
11255 Kirkland Way
Kirkland, Washington 98033
(206) 822-5200

Halliburton Geodata Ltd.
Howe Moss Drive
Kirkhill Industrial State
Dyce, Aberdeen, Scotland
224-770-355
Measurement-while-drilling and surface data logging services

Engineering and Construction Services Group

Brown & Root, Inc.
4100 Clinton Drive
Houston, Texas 77020
(713) 676-3011
Engineering and construction services

Brown & Root (U.K.) Ltd.
B&R House
125 High Street
Colliers Wood
London SW19 2JR, England
441-540-8300

NUS Corporation
910 Clopper Road
P.O. Box 6032
Gaithersburg, Maryland 20877
(301) 258-6000
Engineering and environmental consulting services for industry, utilities and government

Halliburton Environmental Technologies, Inc.
5950 North Course Drive
Houston, Texas 77272
(713) 561-1556

Insurance Services Group

Highlands Insurance Company
600 Jefferson Street
Houston, Texas 77002
(713) 659-5541
Casualty, property, surety, and marine insurance

Health Economics Corporation
1300 West Mockingbird Lane
Dallas, Texas 75247
(214) 905-4400
Health care cost containment services

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Central Guaranty Trust Company
85 Richmond Street West, 8th Floor
Toronto, Ontario M5H 4A3 Canada

NCNB Texas National Bank
Corporate Trust
P.O. Box 831402
Dallas, Texas 75283-1402

Stock Exchange(s): New York, London, Toronto, Zurich, Geneva, Basel, Lausanne

Ticker Symbol: HAL

Number of Employees:

1990	77,000	1987	48,600
1989	65,500	1986	46,909
1988	61,400		

Sales & Earnings

	Net Revenues (000's)	Net Income (000's)
1990	$ 6,925,500	$ 197,400
1989	5,661,200	135,000
1988	4,838,700	93,600
1987	3,830,300	48,100
1986	3,909,000	(515,200)

	No. of Com. Share ‡	Earn. per Share ‡
1990	106,700,000	$ 1.85
1989	106,500,000	1.27
1988	105,700,000	0.89
1987	105,900,000	0.45
1986	106,100,000	—

(Loss)
‡ Based on the average number of shares outstanding

Revenues by Line of Business
(000's)

	1990	1989
Oil field services	$ 2,028,500	$ 1,705,400
Oil field products	887,100	742,600
Engineering & construc. serv.	3,654,100	2,858,300
Insurance services	355,800	354,900
Total	$ 6,925,500	$ 5,661,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.00	—	—
1989	1.00	—	—
1988	1.00	—	—
1987	1.00	—	—
1986	1.20	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 2,246,900	$ 21.04
1989	2,119,100	19.90
1988	2,107,200	19.60
1987	2,080,500	19.76
1986	2,150,200	20.30

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net revenues	$ 6,925,500	$ 5,661,200
Cost of revenues	6,306,400	5,180,600
Expenses	243,300	241,400
Interest expense	33,700	36,900
Interest income	(30,800)	(47,300)
For. curr. losses	11,200	6,800
Gain on sale of marine assets	(33,000)	—
Other expense (income)	1,200	(3,200)
Income bef. taxes	$ 393,500	$ 246,000
Income taxes	193,500	112,100
Majority interest	2,600	200
Cum. effect of acct. change	—	(1,300)
Net Income	$ 197,400	$ 135,000

* Included in Costs and Expenses: Depreciation and Amortization: $249,600,000 in 1990 and $244,600,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 123,400	$ 401,800
Short-term securities	651,600	666,900
Other investments	44,600	10,100
Accts. & notes receiv., net	1,409,300	1,198,600
Unbilled work on uncompleted contracts	202,100	138,800
Refundable income taxes	35,100	35,100
*Inventories	233,900	266,400
‡Fixed assets	1,013,200	923,100
Equity in & adv. to related comp.	253,300	188,700
Exc. of cost over assets acq.	124,300	125,800
Other assets	398,200	179,700
Total Assets	$ 4,543,900	$ 4,263,000

Liabilities
(000's)

Notes payable	$ 5,900	$ 1,700
Accts. payable	370,400	429,200
Accrued empl. compensation	281,900	254,200
Advance billings	151,300	175,200
Income taxes payable	87,600	107,700
Unearned insur. premiums	69,700	66,700
Res. for insur. losses	540,800	493,800
Income taxes	87,000	78,100
Long-term debt	189,800	198,800
Deferred gains	90,000	23,800
Minority interest	20,500	26,300
Other liab.	402,300	288,400
+ Common stock	298,300	298,300
Add. paid-in capital	130,600	130,500
Cum. trans. adjust.	19,000	(8,700)
Net unreal. gains on insur. subsid. invest.	200	400
Retained earnings	2,171,500	2,080,800
Treasury stock	(372,700)	(382,200)
Total Liabilities & Shareholders' Equity	$ 4,543,900	$ 4,263,000

* At cost which is not in excess of market. Inventories of sales items owned by foreign subsidiaries and inventories of operating supplies and parts are generally valued at average cost. All others at LIFO.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

% Income bef. Taxes to Revenues	5.10	4.15
% Net Income to Revenues	2.85	2.18
% Net Income to Equity	8.79	6.37
Debt to Equity	0.09	0.09
Shareholders' Equity	$ 2,246,900,000	$ 2,119,100,000

Hamilton Digital Controls, Inc.

2118 Beechgrove Place
Utica, New York 13501-1798
(315) 797-2370
FAX (315) 797-2309

Officers: Edward Zacaroli, chairman of the board & secretary; Robert E. Trachtenberg, president & chief exec. officer; Ralph M. Risley, treasurer, v.p.-finance & asst. secretary.

Directors: Edward Zacaroli, chairman; Eugene J. Hickey, Harold Julian, Charles Gaetano, Robert E. Trachtenberg, Ralph M. Risley.

Areas of Work: Engaged in the design and manufacture of magnetic recording heads for use by original equipment manufacturers of computer systems and related peripheral equipment.

Subsidiaries:

Hamilton Digital Controls Properties, Inc.

Mobydata, Inc.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): NASDQ

Ticker Symbol: HDIG

Number of Employees:

1990	80	1987	125
1989	221	1986	108
1988	193		

Plant Footage:

1990	49,000 sq. ft.	1987	49,000
1989	49,000	1986	49,000
1988	49,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 4,477,795	$ (373,106)
1989	7,796,167	1,119,461
1988	5,605,781	502,960
1987	4,296,907	105,777
1986	3,412,911	(670,559)

	No. of Com. Shares #	Earn. per Share #
1990	1,788,812	$ — †
1989	1,871,388	0.60
1988	1,803,486	0.28
1987	1,704,860	0.06
1986	1,673,500	—

† Loss
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 765,606	$ 0.43
1989	1,163,831	0.62
1988	43,411	0.02
1987	(480,184)	—
1986	(590,461)	—

(Deficiency)
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended April 30	1990	1989
Net sales	$ 4,477,795	$ 7,796,167
Cost of sales	3,691,003	5,444,917
Expenses	779,496	798,994
Interest expense	380,402	416,695
Inc. (loss) bef. taxes	$ (373,106)	$ 1,135,561
Income taxes	—	16,000
Net Income (Loss)	$ (373,106)	$ 1,119,561

* Included in Costs and Expenses, Depreciation and Amortization: $253,846 in 1990 and $237,308 in 1989.

Assets

As of April 30	1990	1989
Cash	$ 47,093	$ 256,284
Accts. receiv., net	869,566	1,161,590
*Inventories	1,973,009	2,039,701
Prepaid expenses	70,631	66,690
Current Assets	$ 2,960,299	$ 3,724,065
#Fixed assets	1,546,285	1,681,870
Other assets	215,143	268,495
Total Assets	$ 4,721,727	$ 5,674,430

Liabilities

Long-term debt, curr.	$ 251,048	$ 491,837
Accts. payable	196,056	258,761
Accrued payroll	110,548	287,221
Other accruals	91,505	34,844
Curr. Liabilities	$ 649,657	$ 1,072,163
Long-term debt	2,639,010	2,770,436
Long-term liab.	135,000	135,000
+Redeem. pref. stock	513,000	513,000
++Common stock	44,850	43,881
Add. paid-in capital	2,327,065	2,353,699
Retained earnings (deficit)	(1,606,855)	(1,233,749)
Total Liabilities & Shareholders' Equity	$ 4,721,727	$ 5,674,430

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $100 par value, 10% convertible cumulative.
++ $0.02 1/2 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	14.57
% Net Income to Sales	—	14.36
Sales to Inventories	2.27	3.82
Debt to Equity	3.78	2.40
Working Capital	$ 2,310,642	$ 2,651,902
Current Ratio	4.56	3.47
Shareholders' Equity	$ 765,060	$ 1,163,831

Hanson Plc

1 Grosvenor Place
London SW1X 7JH, England
(071) 245 1245
FAX (071) 235 3455

Lord Hanson, chairman; Derek N. Rosling, vice chairman; Martin G. Taylor, vice chairman; Brian A. Hellings, Alan Hagdrup, Charles H. Price, II, Rudolph I. J. Agnew, Anthony G. L. Alexander, John G. Raos, Christopher G. F. Harding, Derek C. Bonham, Graham Dransfield, associate director; Malcolm J. Ablett, associate director; Stephen Park, associate director; David H. Clarke, associate director; A.R. Cotton, associate director; P.J. Harper, associate director; R.S. Fulford, associate director; Y.M. Newbold, secretary; George Hempstead, associate director; William Landuyt, associate director; Craig Sergeant, associate director; Robert Stift, associate director; Karen Levy, associate director; Alexander Notter, associate director; Anthony Branson, associate director; Ross Cheese, associate director; Robert Hanson, associate director; Kenneth Ludlam, associate director; Paul Spencer, associate director; Peter Turner, associate director.

Areas of Work: Hanson PLC is a British American industrial management company. Its subsidiary and associated companies are principally in basic industries. Activities include, in Britain: Ever Ready batteries, London Brick, Butterly Brick, ARC crushed stone products, Crabtree Electrical and Imperial Tobacco. In the USA and overseas: SCM Chemicals, Kaiser Cement, Grove Crane, Ames Tools, Farberware cookware and Jacuzzi whirlpool baths and spas.

Subsidiaries:

CONSUMER-U.K.

Imperial Tobacco Limited
P.O. Box 244
Southville BS99 7UJ Bristol
(0272) 636636
Cigarettes, cigars, pipe and hand-rolling tobacco.

British Ever Ready Limited
93 Burleigh Gardens
Southgate, London N14 5AQ
(01) 882-8661
Dry cell batteries.

CONSUMER-U.S.A.

Hanson Housewares Group
1 Speen Street
Suite 150
Framingham, Massachusetts 01701
(508) 872-6514
Farberware cookware and small kitchen appliances. Tucker plastic housewares. Rexair vacuum cleaners. Spartus clocks. Tetera artificial floral products.

Hanson Recreation and Leisure Group
4 Brighton Road
Clifton, New Jersey 07015
(201) 777-9198
Tommy Armour golf equipment and apparel. Universal physical conditioning and weight training equipment. Valley pool tables and electronic dart games. Bear archery equipment. Ertl die cast toys and model kits.

BUILDING PRODUCTS-U.K.

London Brick Company Limited
Marston Road, Marston Morteyne
Bedford MK43 OPP England
(0525) 405858
Fletton bricks.

Butterley Brick Limited
Wellington Street
Ripley, Derby DE5 3DZ
(0773) 570570
Non-fletton bricks.

ARC Limited
The Ridge
Chipping Sodbury, Bristol

BUILDING PRODUCTS-U.S.A.

Hanson Lighting Group
1251 Doolittle Drive
San Leandro, California 94577
(415) 562-3500
Fluorescent and incandescent lighting products.

Kaiser Cement Corporation
1333 N. California Blvd.
Walnut Creek, California 94596
(415) 256-3050
Cement and aggregate products.

Hanson Building Products
Camden and Broadway Avenues
Parkersburg, West Virginia 26101
(304) 424-3000
Windows, building materials, garden and industrial hand tools.

BUILDING PRODUCTS (AUSTRALIA)

Renison Goldfields Consolidated Limited
Gold Fields House
1 Alfred Street
Sydney NSW 2000 Australia

INDUSTRIAL-U.K.

Lindustries Limited
Southgate House
Stevenage, Herts SG1 1HG
(0438) 365461
Electrical, automotive, engineering and gas products.

Hanson Amalgamated Industries
Southgate House
Stevenage, Herts SG1 1HG
(0438) 728387
Textile products and construction services.

Hanson Engineering
Southgate House
Stevenage, Herts SG1 1HG, England
(0438) 742225
Engineering and heating appliance companies including Berry Magicoal and Robinson Willey.

INDUSTRIAL-U.S.A.

SCM Chemicals Inc.
7 Saint Paul Street, Suite 1010
Baltimore, Maryland 21202
(301) 783-1120
Pigments and related chemicals.

Weber Aircraft Inc.
1300 East Valencia Drive
Fullerton, California 92631
(714 449-3000
Aircraft seating and interior galleys and lavatories.

Gold Fields Mining Corporation
1687 Cole Boulevard
P.O. Box 4014
Golden, Colorado 80402-4014
(303) 231-9700

Grove Worldwide Company
1565 Buchanan Trail E.
Shady Grove, Pennsylvania 17256
(717) 597-8121
Mobile hydraulic and truck mounted cranes; aerial access equipment.

Hanson Office Products
P.O. Box 96
114 Churchill Ave. NW
Leeds, Alabama 35094
(205) 699-4500

Peabody Holding Company
301 North Memorial Drive
St. Louis, Missouri 63012
(314) 342-3400

Transfer Agent(s)*:

Citibank, N.A.
ADR Department
111 Wall Street, 5th Floor
New York, New York 10043
* American Depositary Receipt

Stock Exchange(s): London, New York*, Zurich, Basel, Geneva, Paris

Ticker Symbol: HAN (New York)* *Trades as an American Depositary Receipt (ADR). Each ADR represents 5 Hanson ordinary shares.

Number of Employees:

1990	80,000	1988	105,000
1989	90,000	1987	120,000

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1990	£ 7,151,000	£ 1,000,000
1989	6,998,000	1,101,000
1988	7,396,000	1,121,000
1987	6,682,000	872,000
1986	4,312,000	365,000

	No. of Com. Share ‡	Earn. per Share ‡ #
1990	4,788,363,230	19.9p
1989	3,926,262,686	18.4
1988	3,826,437,207	15.9
1987	3,577,232,668	14.0
1986	N.A.	10.7

£ - pound sterling
N. A. - Not Available
† Including extraordinary gains of £ 29,000,000 in 1990, 288,000,000 in 1989, £ 445,000,000 in 1988 and £ 5,000,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
# Fully diluted.

Revenues by Line of Business
(000's)

	1990	1989
U.K.		
Consumer	£ 2,683,000	£ 2,702,000
Industrial	522,000	490,000
Building products	942,000	433,000
U.S.A.		
Consumer	640,000	731,000
Industrial	1,799,000	1,363,000
Building products	565,000	644,000
Discontinued operations	—	635,000
Total	£ 7,151,000	£ 6,998,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	10.4p	—	—
1989	8.5	—	—
1988	6.8	—	—
1987	4.4	—	—
1986	3.2	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	£ 2,834,000	59.2p
1989	1,046,000 #	26.6
1988	2,192,000 #	57.3
1987	1,730,000 #	48.4
1986	1,439,000 #	—

After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Sept. 30	1990	1989
Net sales	£ 7,151,000	£ 6,998,000
Change in inventories	1,000	(19,000)
Raw materials	3,572,000	3,842,000
Employment costs	1,107,000	1,070,000
Depreciation	180,000	124,000
Other charges	1,248,000	1,107,000
Share of profits of rel. cos.	(43,000)	(14,000)
Interest expense	638,000	330,000
Interest income	(824,000)	(508,000)
Disposal of fixed assets	(11,000)	2,000
Income before taxes	£ 1,285,000	£ 1,064,000
Income taxes	314,000	251,000
Net Income	£ 971,000	£ 813,000
Extraord. gain	29,000	288,000
Net Income & extraord. gain	£ 1,000,000	£ 1,101,000

Assets
(000's)

As of Sept. 30	1990	1989
Cash	£ 6,878,000	£ 5,266,000
*Stocks	984,000	988,000
Debtors	1,126,000	1,157,000
Listed investments	5,000	43,000
Current Assets	£ 8,993,000	£ 7,454,000
Investments	704,000	957,000
#Fixed assets	5,057,000	2,414,000
Total Assets	£ 14,754,000	£ 10,825,000

Liabilities
(000's)

	1990	1989
Debenture loans	£ 20,000	£ 23,000
Bank loans & overdrafts	2,041,000	1,121,000
Trade creditors	501,000	508,000
Other creditors	1,309,000	1,379,000
Dividends	355,000	238,000
Curr. Liabilities	£ 4,226,000	£ 3,269,000

Convertible loans	—	976,000
Debenture loans	420,000	651,000
Bank loans	3,838,000	3,344,000
Provisions for liabilities	3,436,000	1,499,000
•Preferred stock	—	40,000
••Common stock	1,199,000	984,000
Add. paid-in capital	1,155,000	256,000
Revaluation reserve	163,000	165,000
Retained earnings (deficit)	317,000	(359,000)
Total Liabilities & Shareholders' Equity	£ 14,754,000	£ 10,825,000

• At lower of cost (FIFO) and net realizable value
≠ Less accumulated depreciation
• £1 par value, 5.75% convertible cumulative redeemable
•• 25p par value

Statistical Summary

% Income bef. Taxes to Sales	17.96	15.20
% Net Income to Sales	13.57	11.62
% Net Income to Equity	34.76	74.86
Sales to Inventories	7.27	7.08
Debt to Equity	2.23	5.63
Working Capital	£4,767,000,000	£4,185,000,000
Current Ratio	2.13	2.28
Shareholders' Equity	£2,834,000,000	£1,086,000,000

Harris Corporation

1025 W. NASA Boulevard
Melbourne, Florida 32919
(407) 727-9100
FAX (407) 727-9344

Officers: John T. Hartley, Jr., chairman, president & chief exec. officer; Frank J. Lewis, sr. v.p.; Jon E. Cornell, president-semiconductor sector; Guy W. Numann, president-communications sector; Phillip W. Farmer, president-electronic systems sector; Bryan R. Roub, sr. v.p.-finance; Robert E. Sullivan, sr. v.p.-administration; David S. Wasserman, v.p.-taxes; Herbert N. McCauley, v.p.-information management; Fayette Brown, III, v.p.-corp. development; W. Peter Carney, v.p.-corp. relations; Nick E. Heldreth, v.p.-human resources; John A. Hubner, v.p. and controller; Robert W. Fay, v.p. & treasurer; Wasley E. Cantrell, president-Lanier Worldwide.

Directors: John T. Hartley, chairman of the board; Joseph A. Boyd, chairman of the exec. committee; Ralph D. DeNunzio, C. Jackson Grayson, Jr., Lester L. Coleman, Walter F. Raab, Joseph L. Dionne, Allan J. Huber, George J. Meisel, Alexander B. Trowbridge, Robert Cizik.

Areas of Work: Designs, manufactures, installs and maintains equipment and systems for the communication and information processing industry. Products include satellite communications systems, radio and TV transmitters, two-way radios, data terminals and controllers, microwave transmission systems, digital PABX system, medium-scale computers, utility control systems, integrated circuits, automated testing equipment, newspaper editing and composing systems, printing presses and binding equipment.

Divisions and Subsidiaries:

INFORMATION SYSTEMS SECTOR

Controls and Composition
407 John Rodes Boulevard
Melbourne, Florida 32901
(407) 242-4000
Electronic systems and terminals for news editing and advertising preparation, computerized phototypesetters, hot-metal linecasters, photo discs and type matrices, utility, pipeline, railroad and industrial control systems, data acquisition and processing equipment.

Computer Systems
2101 Cypress Creek Road
Fort Lauderdale, Florida 33309
(305) 974-1700
High-performance super-minicomputers, super microcomputers, engineering workstations, peripherals and applications software.

Data Communications
16001 Dallas Parkway
P.O. Box 3399
Dallas, Texas 75248-3399
(214) 386-2000
Interactive-display, remote-batch, distributed-processing and network-communications systems.

Customer Support Division
16001 Dallas Parkway
Dallas, Texas 75248-3399
(214) 386-2000
Service and support of Harris and third-party information products.

Information Systems International
1025 W. NASA Boulevard
Melbourne, Florida 32919
(407) 727-9100
International sales, service and support of Harris Information Systems Sector products.

Lanier Business Systems
2310 Parklake Drive, N.E.
Atlanta, Georgia 30345
(404) 270-2000
Document-processing systems, legal and medical office systems.

Lanier Voice Products
1700 Chantilly Drive, N.E.
Atlanta, Georgia 30324
(404) 329-8000
Portable, desktop and large-capacity central analog and digital dictation systems, private branch exchanges, electronic key systems, voice-logging and recording systems, facsimile-transmission products.

Scientific Calculations, Inc.
7796 Victor-Mendon Road
Fishers, New York 14453
(716) 924-9303
Design-automotion systems for printed-circuit boards and integrated circuits.

COMMUNICATIONS SECTOR

Broadcast
3200 Wisman Lane
Quincy, Illinois 62305
(217) 222-8200
Radio and TV transmitters, studio equipment, automation systems and antennas, color TV cameras, video links, digital video systems.

Allied Broadcast Equipment Corporation
P.O. Box 1487
Richmond, Indiana 47375
(317) 962-8596
Worldwide distributor and systems installer for more than 300 studio and transmission equipment manufacturers for the radio broadcast industry.

Video Systems
960 Linda Vista Avenue
Mountain View, California 94043
(415) 969-9100
Video signal processing equipment, digital still-store systems and video graphics workstation products.

Digital Telephone Systems
300 Bel Marin Keys Blvd.
Novato, California 94949
(415) 382-5000
Digital voice and data network switches, PBXs and telephone sets.

Dracon
809 Calle Plano
Camarillo, California 93010
(805) 987-9511
Power supplies, equipment racks, and other auxiliary telephone equipment, voice-paging systems, telephone lineman's test instruments and tools.

Farinon
1691 Bayport Avenue
San Carlos, California 94070
(415) 594-3000
Farinon Electric: Microwave radios and multiplexers for voice, video and data communications systems. Farinon Video: Microwave studio transmitter links and electronic news-gathering links for broadcast and cable TV systems.

RF Systems
1680 University Avenue
Rochester, New York 14610
(716) 244-5830
Long range and short range two-way radio equipment and systems, mobile and fixed-base, for commercial, industrial, government and military applications.

Long Range Radio
1680 University Avenue
Rochester, New York 14610
(716) 244-5830
HF, VHF and UHF radio equipment and systems for military and commercial users.

SEMICONDUCTOR SECTOR

Military and Aerospace
P.O. Box 883
Melbourne, Florida 329022
(407) 724-7000
Standard, semicustom and custom products for military and government use.

Worldwide Manufacturing
P.O. Box 883
Melbourne, Florida 32902
(407) 724-7000
Manufacturing services for semiconductor divisions.

Commercial Products Group
P.O. Box 883
Melbourne, Florida 32902
(407) 724-7000

Signal Processing Products Division
Analog linear and data conversion products for signal-processing and control applications.

Digital Products Division
Digital microprocessors, microcontrollers, and logic for commercial markets.

Discrete Power Products Division
Power MOSFETs, COMFETs, rectifiers, and bipolar discrete devices.

Harris Microwave Semiconductor
1530 McCarthy Blvd.
Milpitas, California 95035
Gallium arsenide microwave devices and integrated circuits, hybrid microwave amplifiers.

GOVERNMENT SYSTEMS SECTOR

Washington Operations
Harris Parkway Bldg.
1201 E. Abingdon Drive, Suite 500
Alexandria, Virginia 22314
(703) 836-4600
Systems engineering and technical assistance for the government information technology market.

Government Communication Systems
P.O. Box 91000
Melbourne, Florida 32902
(407) 727-4000
Terrestrial and satellite communication systems/networks for command, control and intelligence systems for the Department of Defense and other government agencies.

Government Information Systems
P.O. Box 98000
Melbourne, Florida 32902
(407) 984-5500
Ground-based custom systems and software designed to collect, store, retrieve, process, analyze, display and distribute information of all types.

Government Support Systems
6801 Jericho Turnpike
Syosset, New York 11791
(516) 677-2000
Computer-controlled electronic test, maintenance, logistic and simulation systems for military aircraft, ships and ground vehicles.

Government Aerospace Systems
P.O. Box 94000
Melbourne, Florida 32902
(407) 727-4000
Custom command, control, communication and intelligence aerospace systems for Department of Defense and NASA.

Government Electronic Systems
P.O. Box 9600
Melbourne, Florida 32902
(407) 727-4000

Custom integrated multimedia telecommunication networks utilizing state-of-the-art communications and information processing technologies.

Government Support Systems
12249 Science Drive
Orlando, Florida 32826
(407) 380-3700

Application software for automated test equipment, simulation and training systems for military operation and maintenance training.

HARRIS SERVICES SECTOR

Harris Data Services Corporation
1201 E. Abingdon Drive, Suite 500
Alexandria, Virginia 22314
(703) 739-1885

On-site software engineering support and systems development for the U.S. government and its prime contractors.

Harris Technical Services Corporation
1201 E. Abingdon Drive, Suite 310
Alexandria, Virginia 22314
(703) 739-1990

Repair and calibration of electronic/avionics systems and support equipment for the U.S. government.

Transfer Agent(s):

The AmeriTrust Company N.A.
P.O. Box 6477
Cleveland, Ohio 44101-1477

Stock Exchange(s): New York, Boston, Midwest, Pacific, Philadelphia

Ticker Symbol: HRS

Number of Employees:

1990	33,400	1987	24,300
1989	35,100	1986	26,700
1988	22,600		

Plant Footage:

1990	11,947,000 sq. ft.	1988	7,494,000
1989	N.A.		

N.A. - Not Available

Sales & Earnings

	Revenues +	Net Income
1990	$ 3,052,686,000	$ 130,691,000
1989	2,213,649,000	21,316,000
1988	1,798,091,000	100,472,000
1987	1,797,341,000	84,502,000
1986	1,907,267,000	59,609,000

	No. of Com. Shares ≡	Earn. per Share ≡
1990	39,600,000	$ 3.30
1989	38,700,000	0.55
1988	40,172,000	2.50
1987	41,206,000	2.05
1986	40,255,000	1.48

+ Includes sales, rental and services
≡ Based on the average number of shares outstanding

Revenues by Line of Business
(000's)

	1990	1989
Electronic systems	$ 906,500	$ 914,600
Semiconductor	784,100	542,300
Communications	454,200	441,400
Lanier Worldwide	907,900	315,300
Total	$ 3,052,700	$ 2,213,600

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.96		
1989	0.88		
1988	0.88		
1987	0.88		
1986	0.88		

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 1,063,356,000	$ 27.02
1989	947,204,000	24.45
1988	972,171,000	24.94
1987	984,271,000	23.64
1986	900,841,000	22.37

Income Account *
(000's)

Year ended June 30	1990	1989
Revenues	$ 3,052,686	$ 2,213,649
Interest income	45,848	25,458
Equity income	—	15,339
Total revenues	$ 3,098,534	$ 2,254,446
Cost of revenues	1,974,899	1,483,944
Expenses	871,360	565,240
Interest expense	73,702	36,570
Other expense (income)	(11,290)	1,633
Income before taxes	$ 189,863	$ 167,059
Income taxes	59,172	50,894
Inc. cont. oper.	$ 130,691	$ 116,165
Loss discont. oper.		(94,849)
Net Income*	$ 130,691	$ 21,316

* Included in Costs and Expenses, Depreciation $183,640,000 in 1990 and $115,631,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash	$ 81,071	$ 100,742
Short-term securities	56,749	87,826
Accts. & notes receiv., net	679,180	617,722
Unbilled costs	266,449	250,052
* Inventories	426,640	419,397
Deferred inc. taxes	74,682	92,738
Current Assets	$ 1,584,771	$ 1,568,477
≡ Fixed assets	660,530	616,156
Other assets	379,828	408,103
Total Assets	$ 2,625,129	$ 2,592,736

Liabilities
(000's)

	1990	1989
Short-term debt	$ 430,708	$ 470,969
Long-term debt, curr.	22,701	23,363
Accts. payable	196,998	169,454
Compensation	168,424	156,490
Other accruals	169,806	213,696
Advance payments	82,745	85,690
Unearned leasing & serv. inc.	97,514	85,035
Income taxes	25,494	68,006
Curr. Liabilities	$ 1,194,384	$ 1,272,723
Deferred inc. taxes	46,632	58,170
Long-term debt		
7 3/4% Deben.	16,050	16,050
10 3/8% Deben.	150,000	150,000
11 1/2% Deben.	110,950	110,950
Other debt	23,757	37,639
+Common stock	40,103	38,715
Add. paid-in capital	194,772	154,038
Retained earnings	844,567	752,024
Cum. trans. adj.	3,914	2,427
Total Liabilities & Shareholders' Equity	$ 2,625,129	$ 2,592,736

* At lower of cost (average and FIFO) or market
≡ Less accumulated depreciation
+ $1 par value

Statistical Summary

% Income Bef. Taxes to Revenues	6.13	—
% Net Income to Revenues	4.22	—
% Net Income to Equity	12.06	2.25
Debt to Equity	0.70	0.85
Working Capital	$ 390,387,000	$ 295,754,000
Current Ratio	1.33	1.23
Shareholders' Equity	$ 1,063,356,000	$ 947,204,000

Hathaway Corporation

350 Interlocken Parkway
Suite 200
Broomfield, Colorado 80021-3426
(303) 460-1500
FAX: (303) 460-1517

Officers: Eugene E. Prince, chairman of the board, president & chief exec. officer; A. J. Hintze, vice chairman; Richard D. Smith, v.p.-finance, asst. secretary, treasurer & chief financial officer; Herbert G. Franson, asst. treasurer & corp. controller; James D. Campbell, v.p. & pres.-Hathaway Systems Corporation; Ronald J. Kupferman, v.p. & pres.-Global Software, Inc.

Directors: A. J. Hintze, Bruce B. Brundage, Eugene E. Prince, Marvin J. Fein, Chester H. Clarridge

Areas of Work: Designs, produces and markets computer software, electro-mechanical components, electronic systems and instrumentation for world markets. In addition, the Company provides leasing of small ticket office automation equipment primarily for the Colorado market.

Divisions and Subsidiaries:

Motor Products Division
Owasso, Oklahoma

Hathaway Systems Corporation

Hathaway Foreign Sales Corporation
Colorado

Hathaway Leasing Corporation
Colorado

Hathaway Peripherals Hong Kong Ltd.
Hong Kong

Computer Optical Products, Inc.
Chatsworth, California

Global Software, Inc.
North Carolina

Carolina Global, Inc.
North Carolina

Acquisition:

UCCEL Corporation

Transfer Agent(s):

Bank of America, N.T. & S.A.
Corporate Agency Service Center
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HATH (NASDAQ)

Number of Employees:

1990	503	1987	N.A.
1989	497	1986	485
1988	512		

Plant Footage:

1990	157,155 sq. ft.	1987	N.A.
1989	154,600	1986	221,582
1988	154,600		

N.A. - Not Available

Sales & Earnings

	Net Sales †	Net Income
1990	$ 51,302,000	$ (465,000)
1989	48,098,000	(1,397,000)
1988	45,441,000	(3,558,000)
1987	45,370,000	1,173,000
1986	41,835,000	(47,000)

	No. of Com. Shares	Earn. per Share #
1990	4,268,922	$ —
1989	4,243,785	—
1988	4,049,766	—
1987	3,882,744	0.30
1986	3,764,530	—

(Loss)
† Of continuing operations only
# Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990	1989
Measuring & record. equip.	$ 20,960,000	$ 18,591,000
Computer software	25,856,000	22,670,000
Motion control prods.	4,486,000	6,837,000
Total	$ 51,302,000	$ 48,098,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	0.10	—	—
1987	0.10	—	—
1986	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 8,925,000	$ 2.09
1989	9,579,000	2.26
1988	10,921,000	2.70
1987	14,223,000	3.66
1986	13,301,000	3.53

Income Account *

Year ended Jun. 30	1990	1989
Revenues		
Software prods. & svcs.	$ 25,856,000	$ 22,670,000
Electronic prods.	25,446,000	25,428,000
Total revenues	$ 51,302,000	$ 48,098,000
Cost of revenues	17,344,000	17,448,000
Expenses	30,274,000	28,117,000
Amort. of software acq.	2,470,000	2,755,000
Restruc. charges	346,000	—
Interest exp.	1,219,000	1,445,000
Interest income	(595,000)	(478,000)
Other expense	143,000	131,000
Inc. (loss) bef. taxes	$ 101,000	$ (1,320,000)
Income taxes	88,000	—
Inc. (loss)-cont. oper.	$ 13,000	$ (1,320,000)
Loss-discont. oper.	(478,000)	(77,000)
Net Loss	$ (465,000)	$ (1,397,000)

* Included in Costs and Expenses, Depreciation and Amortization: $4,001,000 in 1990 and $4,120,000 in 1989.

Assets

As of Jun. 30	1990	1989
Cash & cash equiv.	$ 8,145,000	$ 7,708,000
Marketable securities	15,000	11,000
Receiv., net	7,643,000	8,176,000
*Inventories	2,327,000	3,210,000
Prepaid expenses	888,000	178,000
Current Assets	$ 19,018,000	$ 19,283,000
#Fixed assets	8,597,000	9,899,000
Investments held for resale	74,000	387,000
Cost in exc. of assets acq.	2,184,000	2,589,000
Other assets	1,002,000	1,247,000
Total Assets	$ 30,875,000	$ 33,405,000

Liabilities

	1990	1989
Note payable	$ —	$ 350,000
Long-term debt, curr.	750,000	1,654,000
Accts. payable	1,933,000	2,606,000
Accruals	3,580,000	2,672,000
Warranty reserve	221,000	335,000
Curr. Liabilities	$ 6,484,000	$ 7,617,000
Long-term debt	8,591,000	9,239,000
Def. software serv. inc.	6,875,000	6,970,000
+Common stock	100,000	100,000
Add. paid-in capital	7,707,000	7,378,000
Loan receiv. Lev. ESOP	(500,000)	(500,000)
Retained earnings	2,500,000	2,965,000
Treasury stock	(882,000)	(364,000)
Total Liabilities & Shareholders' Equity	$ 30,875,000	$ 33,405,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value

Statistical Summary

	1990	1989
Debt to Equity	1.05	1.17
Working Capital	$ 12,534,000	$ 11,666,000
Current Ratio	2.93	2.53
Shareholders' Equity	$ 8,925,000	$ 9,579,000

HCC Industries

(A private company)

P.O. Box 739
4232 Temple City Blvd.
Rosemead, California 91770
(818) 443-8933

Officers: Jack Goldfarb, chairman of the board; Andrew Goldfarb, chief exec. officer & president; Michael Pelta, vice chairman & pres.-Hermetic Sealing Group; Christopher H. Bateman, v.p. & chief financial officer; Fredric Horowitz, secretary; Eugene F. Harrison, asst. secretary.

Directors: Jack Goldfarb, chairman; Michael Pelta, Andrew Goldfarb, Robert Goldstein, Eugene F. Harrison, Jerry Grundhofer.

Areas of Work: Designs, manufactures and markets precision, hermetically sealed electronic connection devices for aerospace and military electronics, oil and gas, medical electronics, and test and measurement industries.

Subsidiaries:

Hermetic Seal Corporation
4232 Temple City Boulevard
Rosemead, California 91770

HCC Industries International
Beavern House
Victoria Road
Swindon, Wiltshire, United Kingdom

Glasseal Products, Inc.
485 Oberlin Avenue
Lakewood, New Jersey 08701

Sealtron, Inc.
9705 Reading Road
Cincinnati, Ohio 45215

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HCCI (NASDAQ)

Number of Employees:

1989	454	1986	933
1988	740	1985	790
1987	880		

Plant Footage:

1989	126,000 sq. ft.	1986	276,000
1988	121,000	1985	276,000
1987	168,400		

Sales & Earnings

	Net Sales †	Net Income +
1989	$ 26,584,000	$ 993,000
1988*	30,579,000	(6,876,000)
1987	35,552,000	(2,375,000)
1986	32,554,000	10,000
1985	25,262,000	1,039,000

	No. of Com. Shares	Earn. per Share +‡
1989	1,668,810	$ 0.59
1988*	1,668,810	—
1987	1,775,700	—
1986	1,775,700	0.01
1985	1,773,200	0.57

(Loss)
* 53 weeks
† Of continuing operations only
+ Including extraordinary gain of $404,000 ($0.24 per share) in 1989 and extraordinary losses of $95,000 in 1988 and $326,000 ($0.18 per share) in 1985
‡ Based on the weighted average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	0.06	—	—
1986	0.06	—	—
1985	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 2,650,000	$ 1.59
1988	1,657,000	0.99
1987	8,851,000	4.98
1986	11,332,000	6.38
1985	11,405,000	6.24

Income Account *

Year ended	4/1/89	4/2/88
Net sales	$ 26,584,000	$ 30,579,000
Cost of sales	18,402,000	23,728,000
Expenses	5,491,000	7,487,000
Loss - writedown of prod line	—	5,466,000
Interest income	(607,000)	(622,000)
Inc. (loss) bef. taxes	$ 1,496,000	$ (7,466,000)
Income taxes (credit)	694,000	(685,000)
Inc. (loss)-cont. oper	$ 802,000	$ (6,781,000)
Loss-discont. oper	(213,000)	—
Net Income (Loss)	$ 589,000	$ (6,781,000)
Extraord. items	404,000	(95,000)
Net Income (Loss) & extraord. items	$ 993,000	$ (6,876,000)

* Included in Costs and Expenses, Depreciation and Amortization: $833,000 in 1989 and $1,057,000 in 1988.

Assets

As of	4/1/89	4/2/88
Cash	$ 4,775,000	$ 3,530,000
Accts. receiv., net	4,277,000	3,508,000
*Inventories	2,938,000	3,126,000
Notes receiv	208,000	447,000
Net assets - discont. oper	444,000	406,000
Net assets - prod. lines held for sale	—	500,000
Current Assets	$ 12,642,000	$ 11,517,000
#Fixed assets	5,993,000	6,129,000
Other assets	3,042,000	3,425,000
Total Assets	$ 21,677,000	$ 21,071,000

Liabilities

Accts. payable	$ 865,000	$ 1,074,000
Accruals	4,890,000	4,912,000
Inc. taxes pay	315,000	608,000
Curr. Liabilities	$ 6,070,000	$ 6,594,000
Long-term debt & cap. lease oblig	12,957,000	12,820,000
+Common stock	167,000	167,000
Add. paid-in capital	2,325,000	2,325,000
Retained earnings (deficit)	158,000	(835,000)
Total Liabilities & Shareholders' Equity	$ 21,677,000	$ 21,071,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Net Income to Equity	22.23	—
Sales to Inventories	9.05	9.78
Debt to Equity	4.89	7.74
Working Capital	$ 6,572,000	$ 4,923,000
Current Ratio	2.08	1.75
Shareholders' Equity	$ 2,650,000	$ 1,657,000

Healthdyne, Inc.

1850 Parkway Place, 12th Floor
Marietta, Georgia 30067
(404) 423-4500
FAX (404) 423-4640

Officers: Parker H. Petit, chairman of the board & chief exec. officer; J. Terry Dewberry, president & chief operating officer; J. Brent Burkey, sr. v.p., general counsel & corporate secretary; Donald R. Millard, v.p.-finance, chief financial officer & treasurer; J. Paul Yokubinas, v.p.-business development

Directors: Parker H. Petit, chairman of the board; J. Terry Dewberry, Brian D. Hogg, J. Paul Yokubinas, William J. Gresham, Jr., Alexander H. Lorch, Hon. Carl E. Sanders, Morris S. Weeden

Areas of Work: Provides a diversified line of home health care services and products through three major divisions. Its majority owned Home Nutritional Services, Inc. subsidiary provides home infusion therapies and related services; its Technologies Division manufactures medical products for use in the home, and its wholly-owned Perinatal Services subsidiary provides home pregnancy monitoring and related home obstetrical care.

Division:

Healthdyne Technologies

Subsidiaries:

Home Nutritional Services, Inc. (67% owned)

Perinatal Services, Inc.

Delta Medical Industries

Transfer Agent(s):

Trust Company Bank
Stock Transfer Dept.
P.O. Box 4625
Atlanta, Georgia 30302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HDYN (NASDAQ)

Number of Employees:

1990	N.A.	1988	1,200
1989	1,219		

N.A.-Not Available

Plant Footage:

1990	77,000 sq. ft.	1988	77,000
1989	77,000		

Sales & Earnings

	Revenues +	Net Income +
1990	$ 138,312,000	$ 8,040,000
1989	103,350,000	7,052,000
1988	70,715,000	(5,471,000)
1987	48,250,000	(5,500,000)
1986	79,177,000	(21,258,000)

	No. of Com Shares ‡	Earn. per Share + ‡
1990	15,966,000	$ 0.50
1989	15,861,000	0.43
1988	14,790,000	—
1987	14,745,000	—
1986	14,517,000	—

( ) Loss
+ Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 72,009,000	$ 4.51
1989	78,000,000	4.92
1988	67,589,000	4.57
1987	73,410,000	4.98
1986	79,287,000	5.46

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Revenues	$ 138,312	$ 103,350
Cost of revenues	65,500	49,072
Expenses	62,570	47,515
Interest income	(2,280)	(1,096)
Interest expense	626	3,726
Gain on sale of subsid. stock	—	(45,528)
Other expense (income)	(2,821)	2,385
Income before taxes	$ 14,717	$ 47,276
Income taxes	3,634	18,285
Minority interest	3,043	88
Inc.-cont. oper	$ 8,040	$ 28,903
Loss-discont. oper	—	(24,536)
Net Income	$ 8,040	$ 4,367
Extraord. gain	—	2,685
Net Income & extraord. gain	$ 8,040	$ 7,052

* Included in Costs and Expenses, Depreciation and Amortization: $3,750,000 in 1990 and $6,329,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & short-term invest	$ 15,522	$ 27,429
Marketable securities	—	9,780
Accts. receiv., net	55,526	46,272
*Inventories	12,799	9,410
Prepaid expenses	3,252	3,528
Deferred inc. taxes	3,036	—
Assets held for sale	2,913	9,097
Current Assets	$ 93,048	$ 105,516
#Fixed assets	12,437	9,869
Exc. of cost over assets acq	3,323	134
Intangibles	1,134	1,218
Other assets	658	988
Total Assets	$ 110,600	$ 117,725

Liabilities
(000's)

Long-term debt & cap lease oblig., curr	$ 674	$ 536
Accts. payable	6,561	6,954
Accruals	8,634	11,654
Curr. Liabilities	$ 15,869	$ 19,144
Long-term debt & cap lease oblig	4,362	3,891
Other liabilities	729	981
Minority interest	17,631	15,709
+Common stock	147	156
Add. paid-in capital	114,672	128,694
Retained earnings (deficit)	(42,810)	(50,850)
Total Liabilities & Shareholders' Equity	$ 110,600	$ 117,725

* At lower of cost (FIFO) or market (net realizable value).
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Revenues		10.64		
% Net Income to Revenues		5.81		
% Net Income to Equity		11.17		5.60
Debt to Equity		0.07		0.06
Working Capital	$	77,179,000	$	86,172,000
Current Ratio		5.86		5.51
Shareholders' Equity	$	72,009,000	$	78,000,000

HEI Inc.

P.O. Box 5000
1495 Steiger Lake Lane
Victoria, Minnesota 55386
(612) 443-2500
FAX: (612) 443-2668

Officers: Eugene W. Courtney, president & chief executive officer; Jerald H. Mortenson, v.p.-administration & chief financial officer; Dale Nordquist, v.p.-sales.

Directors: Eugene W. Courtney, William R. Franta, Alan K. Ruvelson, Lyman E. Wakefield, Jr., Kenneth A. Schoen.

Areas of Work: Manufactures electronic components and systems which convert light into electronic signals through hybrid circuitry - a sophisticated electronic assembly process which allows for miniaturization of circuit elements. Products include custom hybrid circuits, optical scanners for gaming, education and government, light pens for computer-aided design and interactive video tasks, optical switches and assemblies for typesetting systems, computer peripherals and industrial equipment.

Divisions:

Hybrid Electronics Division
Scanning Systems Division
Optoelectronics Division

Joint Venture:

SFT, Inc.
Markets computer-controlled measurement systems to federal and local governments and to North American utilities.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
P.O. Box 738
161 North Concord Exchange
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HEII (NASDAQ)

Number of Employees:

1990	144	1987	120
1989	142	1986	138
1988	148		

Plant Footage:

1990	34,600 sq. ft.	1988	34,600
1989	34,600	1987	34,600

Sales & Earnings

		Net Sales		Net Income †	No. of Com. Shares ‡		Earn. per Share † ‡
1990	$	8,545,440	$	(850,464)	1,474,646	$	—
1989		8,293,683		(978,144)	1,546,798		—
1988		8,012,345		461,026	1,592,204		0.29
1987		6,430,643		25,321	1,421,695		0.02
1986		7,174,524		(2,922,420)	1,420,708		—

(Loss)
† Including extraordinary gains of $194,000 ($0.12 per share) in 1988 and $8,000 ($0.01 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	1,118,241	$	0.76
1989		1,954,088		1.26
1988		2,925,306		1.84
1987		2,458,193		1.73
1986		2,430,856		1.71

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Aug. 31		1990		1989
Net sales	$	8,545,440	$	8,293,683
Cost of sales		6,333,623		6,171,440
Expenses		2,857,824		2,922,854
Interest expense		265,070		255,867
Other income		(119,001)		(93,720)
Eq. in loss of affiliate		40,839		23,886
Loss before taxes	$	(832,915)	$	(986,644)
Income taxes (credit)		17,549		(8,500)
Net Loss	$	(850,464)	$	(978,144)

* Included in Costs and Expenses, Depreciation and Amortization: $450,992 in 1990 and $454,840 in 1989.

Assets

As of Aug. 31		1990		1989
Cash	$	23,011	$	1,483
Accts. receiv., net		1,348,880		1,395,671
*Inventories		1,317,472		1,485,647
Inc. tax ref. receiv.		5,000		5,488
Prepaid expenses		119,563		117,717
Current Assets	$	2,813,926	$	3,006,006
Invest. in affil.		15,275		56,114
#Fixed assets		1,685,414		1,922,833
Other assets		27,915		55,083
Total Assets	$	4,542,530	$	5,040,036

Liabilities

Note payable	$	954,304	$	770,000
Long-term debt, curr.		320,600		320,600
Cap. lease oblig., curr.		35,704		30,738
Accts. payable		1,008,470		531,440
Accruals		401,639		373,871
Curr. Liabilities	$	2,720,717	$	2,026,649
Long-term debt		693,649		1,014,249
Cap. lease oblig.		9,923		45,050
+Common stock		72,258		71,676
Add. paid-in capital		4,127,679		4,113,644
Retained earnings (deficit)		(3,081,696)		(2,231,232)
Total Liabilities & Shareholders' Equity	$	4,542,530	$	5,040,036

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

Sales to Inventories		6.49		5.58
Debt to Equity		1.80		1.12
Working Capital	$	93,209,000	$	979,357
Current Ratio		1.03		1.48
Shareholders' Equity	$	1,118,241	$	1,954,088

HEICO Corporation

3000 Taft Street
Hollywood, Florida 33021
(305) 987-6101
FAX: (305) 987-8228

Officers: Laurans A. Mendelson, chairman & chief executive officer; Thomas S. Irwin, acting president, chief operating officer, sr. v.p. & CFO; Lawrence H. Wheeler, controller; Elizabeth R. Letendre, secretary.

Directors: Alan Schriesheim, Laurans A. Mendelson, Jacob T. Carwile, Carl A. Jacobson, Samuel L. Higginbottom, Albert Morrison, Jr., Paul F. Manieri, Guy C. Shafer.

Areas of Work: Engaged in two principal business segments: laboratory products and engine products and services. Germfree Laboratories Incorporated, NAPCO Scientific Company, Hotpack Corporation and Rush Enterprises, Inc., all wholly owned subsidiaries, principally design and manufacture controlled environment and biological safety equipment for use in clinical, educational, government and industrial scientific laboratories. Jet Avion Corporation, a wholly owned subsidiary, is engaged in the manufacture of parts for gas turbine engines, primarily jet aircraft engines and also provides custom brazing and heat treating services. LPI Corporation, also a wholly owned subsidiary, manufactures jet engine and other defense industry-related components. Engaged in the manufacture and sale of aviation and defense products and the manufacture and sale of laboratory products.

Subsidiaries & Divisions:

Jet Avion Corporation
3000 Taft Street
Hollywood, Florida 33021
(305) 987-6101

Jet Avion Heat Treat Division
Hollywood, Florida

LPI Corporation
2104 West Commercial Boulevard
Fort Lauderdale, Florida 33309
(305) 485-2136
Produces jet and other turbine engine components, supplies milling, machining and fabrication services to the aviation and defense industries.

Aircraft Technology, Inc.
Hollywood, Florida

Transfer Agent(s):

First Interstate Bank of Oregon, N.A.
Portland, Oregon

Mellon Securities Trust Co.
Fort Lee, New Jersey

Stock Exchange(s): American

Ticker Symbol: HEI

Number of Employees:

1990	230	1987	500
1989	500	1986	500
1988	500		

Plant Footage:

1990	186,000 sq. ft.	1987	336,000
1989	400,000	1986	336,000
1988	400,000		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 26,239,000	$ (519,000)
1989	26,473,000	(4,648,000)
1988	22,925,000	2,486,000
1987	30,518,000	7,612,000
1986	31,686,000	6,330,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	2,992,947	$ —
1989	3,213,355	—
1988	3,237,488	0.77
1987	3,166,119	2.40
1986	2,643,743	2.36

( ) Loss

+ Of continuing operation only

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.10	—	—
1989	0.10	—	—
1988	0.07	—	3-for-2
1987	0.07	—	—
1986	0.07	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 30,949,000	$ 11.83
1989	36,575,000	11.58
1988	40,992,000	12.97
1987	38,099,000	12.12
1986	17,991,000	7.20

‡ Adjusted to reflect stock split.

Income Account *

Year ended Oct. 31	1990	1989
Net sales	$ 26,239,000	$ 26,473,000
Cost of sales	19,165,000	17,239,000
Expenses	5,205,000	5,291,000
Non-recurring charges	—	2,072,000
Interest expense	181,000	131,000
Other income	(970,000)	(751,000)
Income before taxes	$ 2,658,000	$ 2,491,000
Income taxes	697,000	770,000
Inc.-cont. oper.	$ 1,961,000	$ 1,721,000
Loss-discont. oper.	(2,480,000)	(6,369,000)
Net Loss	$ (519,000)	$ (4,648,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,830,000 in 1990 and $2,449,000 in 1989

Assets

As of Oct. 31	1990	1989
Cash	$ 587,000	$ 1,861,000
Short-term invest.	14,569,000	5,982,000
Accts. receiv., net	3,616,000	3,298,000
*Inventories	7,386,000	8,660,000
Prepaid expenses	1,352,000	847,000
Deferred inc. taxes	430,000	832,000
Net assets-discont. oper.	—	12,160,000
Current Assets	$ 27,940,000	$ 33,640,000
≠Fixed assets	8,466,000	9,349,000
Intangibles	2,740,000	2,943,000
Other assets	64,000	241,000
Total Assets	$ 39,210,000	$ 46,173,000

Liabilities

Accts. payable	$ 936,000	$ 1,462,000
Accruals	3,739,000	4,565,000
Income taxes	357,000	511,000
Curr. Liabilities	$ 5,032,000	$ 6,538,000
Long-term debt	1,980,000	1,980,000
Deferred inc. taxes	1,249,000	1,080,000
+Common stock	722,000	722,000
Add. paid-in capital	14,434,000	14,478,000
Retained earnings	28,781,000	29,604,000
Treasury stock	(12,348,000)	(7,521,000)
Note receiv.-ESOP & def. comp.	(640,000)	(708,000)
Total Liabilities & Shareholders' Equity	$ 39,210,000	$ 46,173,000

* Jet Avion at lower of cost (FIFO) or market; LPI Industries at lower of cost or market, with estimated total contract costs being allocated ratably to all units

≠ Less accumulated depreciation

+ $0.16 2/3 par value

Statistical Summary

Sales to Inventories	3.55	3.06
Debt to Equity	0.06	0.05
Working Capital	$ 22,908,000	$ 27,102,000
Current Ratio	5.55	5.15
Shareholders' Equity	$ 30,949,000	$ 36,575,000

Hercules Incorporated

Hercules Plaza
1313 North Market Street
Wilmington, Delaware 19894-0001
(302) 594-5000
FAX: (302) 594-5400

Officers: Thomas L. Gossage, chairman & chief executive officer; Fred L. Buckner, president & chief operating officer; Richard Schwartz, exec. v.p.; Michael B. Keehan, v.p. & general counsel; George MacKenzie, v.p. & controller; Alexander L. Searl, v.p. & treasurer; Charles W.K. Gamble, secretary; James D. Knox, asst. treasurer; Eugene D. Crittenden, Jr., sr. v.p.

Directors: Thomas L. Gossage, Manfred Caspari, Fred L. Buckner, Eugene D. Crittenden, Jr., Stuart E. Eizenstat, Jerome Jacobson, Robert G. Jahn, Gaynor N. Kelley, Ralph L. MacDonald, Jr., Richard Schwartz, Joan E. Spero.

Areas of Work: Operates in three industry segments: Aerospace, Specialty Chemicals, and Engineered Products. In the aerospace area, through its wholly owned subsidiary, Hercules Aerospace Company, the Company is engaged principally in the design, development, and manufacture of high-technology products such as solid propellant rocket motors, carbon fiber, composite structures, electromechanical and electronic equipment, and smokeless powders for the defense, aerospace, commercial aircraft, military ordnance, and sport shooting industries.

Subsidiaries:

Hercules Aerospace Company
Hercules Specialty Chemicals Company
Hercules Engineered Polymers Company

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

Wilmington Trust Company
Wilmington, Delaware 19890

Stock Exchange(s): New York, London, Swiss exchanges

Ticker Symbol: HPC (New York)

Number of Employees:

1990	19,867	1987	23,152
1989	23,290	1986	25,120
1988	22,718		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 3,199,932	$ 95,993
1989	3,091,669	(81,320)
1988	2,802,072	120,435
1987	2,693,003	820,737
1986	2,615,100	226,700

	No. of Com. Shares	Earn. per Share +
1990	46,962,000	$ 2.04
1989	46,539,000	—
1988	45,858,000	2.55
1987	48,797,000	14.74
1986	54,751,000	4.02

( ) Loss

+ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990	1989
Chemical specialties	$ 1,647,000	$ 1,530,000
Aerospace	996,000	964,000
Materials	546,000	587,000
Other	11,000	11,000
Total	$ 3,200,000	$ 3,092,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 2.24	—	—
1989	2.24	—	—
1988	2.00	—	—
1987	1.84	—	—
1986	1.72	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 1,941,989	$ 41.35
1989	1,897,206	40.77
1988	2,044,500	44.58
1987	2,189,900	44.88
1986	1,703,200	31.11

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 3,199,932	$ 3,091,669
Cost of sales	2,411,801	2,382,741
Est. contract completion costs	—	323,000
Expenses	546,412	504,891
Nonrecurring expenses	51,598	2,330
Interest expense	58,005	43,110
Other income	(22,311)	(32,840)
Inc. (loss) bef. taxes	$ 154,427	$ (131,563)
Income taxes (credit)	67,238	(19,640)
Eq. in inc. of affil. cos.	(8,804)	(15,564)
Cum. effect of acct. change	—	(15,039)
Net Income (Loss)	$ 95,993	$ (81,320)

* Included in Costs and Expenses, Depreciation $191,097,000 in 1990 and $179,306,000 in 1989

Assets
(000's)

As of	1990	1989
Cash & cash equiv	$ 224,695	$ 69,818
Accts & notes receiv , net	886,446	908,767
•Inventories	488,720	555,091
Current Assets	$ 1,599,861	$ 1,533,676
Investments	327,980	389,537
≠Fixed assets	1,449,912	1,416,475
Other assets	321,891	313,475
Total Assets	$ 3,699,644	$ 3,653,163

Liabilities
(000's)

	1990	1989
Short-term debt	$ 270,623	$ 273,615
Accts payable	219,264	222,441
Contract completion costs	85,272	122,498
Accrued payroll	75,317	76,008
Other accruals	199,680	164,411
Income taxes	57,685	59,090
Current Liabilities	$ 907,841	$ 918,063
Long-term debt	601,045	575,655
Deferred inc. taxes	117,376	141,966
Other liabilities	131,393	120,273
+Common stock	30,270	30,049
Add. paid-in capital	357,571	343,287
For. curr. trans. adjust	87,496	42,733
Invest. valuation allow	(5,448)	—
Retained earnings	2,026,342	2,035,379
Treasury stock	(554,242)	(554,242)
Total Liabilities & Shareholders' Equity	$ 3,699,644	$ 3,653,163

• At lower of cost or market. Domestic investories at LIFO, foreign at average cost.
≠ Less accumulated depreciation and amortization
+ $25/48 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	4.83	—
% Net Income to Sales	3.00	—
% Net Income to Equity	4.94	—
Sales to Inventories	6.55	5.57
Debt to Equity	0.45	0.45
Working Capital	$ 692,020,000	$ 615,613,000
Current Ratio	1.76	1.67
Shareholders Equity	$ 1,941,989,000	$ 1,897,206,000

Hewlett-Packard Company

3000 Hanover Street
Palo Alto, California 94304
(415) 857-1501
FAX: (415) 857-5518

Officers: David Packard, chairman of the board; John A. Young, pres. & chief exec. officer; Dean O. Morton, exec. v.p. & chief operating officer; William E. Terry, exec. vice president-measurement systems; Richard C. Alberding, exec. vice president-marketing & international; John L. Doyle, exec. v.p.-business development; James L. Arthur, sr. v.p. & general manager-Worldwide Customer Support; S.T. Jack Brigham, III, v.p.-adm. & gen. counsel; Harold E. Edmondson, v.p. & dir.-corp. mfg.; Franco Mariotti, sr. v.p.-European operations; Richard A. Hackborn, exec. v.p.-Computer Products Div.; Alan D. Bickell, v.p. & dir.-Intercontinental operations; Frederic N. Schwettman, v.p. & general mgr.-Circuit Technology Group; Joel S. Birnbaum, v.p. & gen. mgr.-Information Architecture Group; Robert J. Frankenberg, v.p.; William F. Craven, v.p. & gen. mgr.-Components Group; William G. Parzybok, Jr., v.p. & gen. mgr.-Engineering & Manufacturing Systems Group; Robert P. Wayman, sr. v.p. & chief fin. officer; George F. Newman, Jr., treasurer; Dieter Hoehn, v.p. & gen. mgr.-Analytical Group; Richard W. Anderson, v.p. & gen. mgr.-Microwave and Communications Group; Benjamin L. Holmes, v.p. & gen. mgr.-Medical Products Group; Charles W. Richion, v.p.-U.S. sales operations; D. Craig Nordlund, secretary & associate gen. counsel; Raymond W. Cookingham, controller; Ann O. Baskins, asst. secretary & corp. counsel; Michael C. Leavell, v.p & director-U.S. Field Operations; Willem P. Roelandts, v.p. & gen. mgr.-computer systems group; Edward W. Barnholt, v.p. & gen. mgr.-electronic instruments; Franz Nawratil, v.p.-Computer Systems Organization-Worldwide Sales & Marketing.

Directors: David Packard, chairman; David Woodley Packard, Walter B. Hewlett, William E. Terry, Robert J. Glaser, John A. Young, Dean O. Morton, John B. Fery, Harold J. Haynes, Shirley M. Hufstedler, George A. Keyworth, II, T. A. Wilson, Paul F. Miller, Jr., Hicks B. Waldron, Donald E. Petersen.

Areas of Work: Through the instrument and components groups, manufactures electronic test and measurement products. These products include microwave semiconductors, light emitting diodes and fiber optic components, logic analyzers, voltmeters, frequency analyzers, power supplies, board testers, plotters, recorders, oscilloscopes, counters, frequency sources, network and signal analyzers, signal generators, automated test equipment, distance measurement instruments, component measurement equipment and microprocessor development systems. Computer and personal computation groups manufacture electronic data products. These products include small to medium scale computer systems for business, scientific and industrial applications, desktop computers, personal computers, personal scientific and business programmable calculators, data terminals, printers and disk and tape memories. The medical products group manufactures medical electronic equipment. These products include continuous monitoring systems for critical care patients, medical data management systems, fetal monitors, electrocardiographs and related interpretive and stress systems, cardiac catheterization laboratory systems, blood gas measuring instruments, ultrasonic imaging systems, cardiac defibrillators and hospital supplies. Products of the analytical instrumentation group include gas chromatographs, liquid chromatographs, mass spectrometers combined with chromatographs, spectrophotometers, laboratory automation systems and integrators.

Divisions and Subsidiaries:

COMPONENTS GROUP

Microwave Semiconductor Division
350 West Trimble Road
San Jose, California 95131
(408) 263-7500

RF (radio frequency) and microwave diodes, microwave transitors, microwave components, bar-code entry products.

Optoelectronics Division
640 Page Mill Road
Palo Alto, California 94304
(415) 857-6201

Alphanumeric and LED displays, lamps, light bars and linear arrays.

Optical Communications Division
640 Page Mill Road
Palo Alto, California 94304
(415) 857-1501

Fiber-optic and optocouplers.

Southeast Asia Operation
Hewlitt-Packard Malaysia
Phase I, Bayan Lepas Free Trade Zone
Penang, Malaysia

Semiconductor devices, computer memories.

SYSTEMS GROUP

Fort Collins Systems Division
3404 East Harmony Road
Fort Collins, Colorado 80525
(303) 226-3800

Advanced, 32-bit, desktop computers, computers controllers, systems and peripheral equipment for science and engineering.

Boblingen Engineering Operation
Hewlett-Packard GmbH
Federal Republic of Germany

Mechanical computer-aided design software.

Boblingen Computer Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany

Colorado Springs Division
1900 Garden of the Gods Road
Colorado Springs, Colorado 80901
(303) 598-1900

General-purpose and high-performance oscilloscopes, including automatic waveform measurement; cathode-ray tube displays; logic analyzers.

Lake Stevens Instrument Division
6330 Marine Drive
Maryville, Washington 98270
(206) 335-2000

Synthesizers and low-frequency spectrum and network analyzers for communications and electronics equipment; waveform generators and dynamic analyzers for electromechanical and mechanical systems.

Fort Collins Engineering Operation
3404 East Harmony Road
Fort Collins, Colorado 80525
(303) 226-3800

Personal technical computer software.

Logic Design Operation
Centennial Annex D-2
Colorado Springs, Colorado 80907-0617

CAD/CAM system design.

Logic Systems Division
1900 Garden of the Gods Road
Colorado Springs, Colorado 80901

Logic-development systems for microprocessor and digital products.

ELECTRONIC INSTRUMENTS GROUP

Boblingen Instrument Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany

Logic signal sources and data generators, plotters and microprocessor development systems.

Colorado Springs Tech Center
1900 Garden of the Gods Road
Colorado Springs, Colorado 80901
(303) 598-1900

Analog and digital thick film hybrids for all HP divisions.

YHP Instrument Division
Yokogawa-Hewlett-Packard, Ltd.
9-1, Takakura, Cho
Hachioji-Shi
Toyko 192, Japan

Component and semiconductor measuring instruments and systems (ICR meters, impedance analyzers, semiconductor parameter test systems) for worldwide sales and a variety of other products for the Japanese market.

Loveland Tech Center
815 Fourteenth Street, S.W.
Loveland, Colorado 80537
(303) 667-5000

Analog and digital multimeters, computer-controlled instrument systems (data-loggers, data acquisition systems, components-test instrumentation).

New Jersey Division
150 Green Pond Road
Rockaway, New Jersey 07866
(201) 627-6400

Regulated direct current laboratory and industrial power supplies, OEM (original-equipment manufacturer) modular power supplies, digitally controlled power sources, automatic-test and control-system components.

Santa Clara Division
5301 Stevens Creek Boulevard
Santa Clara, California 95050
(408) 246-4300

Electronic counters, digital IC (integrated circuit) testers, microprocessor servicing and training products, waveform recorders (transient analyzers or digital oscilloscopes), digital printers, atomic frequency and time standards, laser measurement systems, temperature and pressure measurement systems.

Santa Clara Tech Center
5301 Stevens Creek Boulevard
Santa Clara, California 95050
(408) 246-4300
Integrated circuits, and standard and custom parts, for HP's instrument divisions.

YHP Computer Operation*
Yokogawa-Hewlett-Packard, Ltd
9-1, Takakura-Cho
Hachioji-Shi
Tokyo 192, Japan
* Part of YHP Instrument Division

MICROWAVE AND COMMUNICATIONS INSTRUMENT GROUP

Colorado Telecommunications Division
5060 Centennial Boulevard
Colorado Springs, Colorado 80933
(303) 593-8700
Transmission-test instruments for testing digital and analog parameters of voice and data channels, data-communication network test equipment (protocol analyzers and digital and analog test instruments).

Queensferry Telecommunications Division
Hewlett-Packard Ltd
South Queensferry
West Lothian EH30 9TG Scotland
Dedicated test and measuring instruments and systems for telecommunications in the areas of microwave radio, FDM (frequency division multiplex), voice/data, PCM/TDM (pulse code modulation/time-division multiplex), transmission-impairment measuring sets and sweep oscillators.

Queensferry Microwave Operation
South Queensferry
West Lothian EH30 9TG Scotland
Products for mobile communications, RF (radio frequency) communications, and cellular radio.

Stanford Park Division
1501 Page Mill Road
Palto Alto, California
(415) 857-1500
Microwave signal generators and synthesizers, noise-figure meters; power meters, coaxial and waveguide measuring equipment.

Spokane Division
1620 Signal Drive TAF C-34
Spokane, Washington 99220
(509) 922-4001
RF (radio frequency)-signal generators and synthesizers, RF measuring receivers and RF transceiver test equipment.

Signal Analysis Division
1212 Valley House Drive
Rohnert Park, California 94928
(707) 525-1400
Radio-frequency and microwave spectrum analyzers and related signal analysis equipment.

Network Measurements Division
1400 Fountain Grove Parkway
Santa Rosa, California 95404
(707) 525-1400
RF (radio frequency) and microwave-network analyzers (vector and scalar), sweep oscillators and synthesized sweep-signal generators.

Microwave Technology Division
1400 Fountain Grove Parkway
Santa Rosa, California 95404
(707) 525-1400
High frequency transistors and diodes, SAW (surface-acoustical-wave) devices, YIG (ytrium-iron-garnet) spheres, integrated circuits, thick and thin film circuits and microwave packages, all for HP divisions.

INFORMATION NETWORK GROUP

Roseville Networks Division
8000 Foothills Blvd
Roseville, California 95678
(916) 786-8000
Measurement and control automation products, HP computer I/O (input/output) cards and data communications products.

Information Networks Division
19420 Homestead Road
Cupertino, California 95014
(408) 725-8111
Data-communications hardware and software; business software tools to speed program development, automation systems and software for the 'interactive office.'

Colorado Networks Operations
700 71st Avenue
Greeley, Colorado 80631
(303) 356-9301
Software and hardware to connect computer products.

Grenoble Networks Division
Hewlett-Packard France
5 Rue Raymond Chanas
F-38320 Eybens, France
Industrial terminals and low-cost terminals, personal computers, data-communications hardware and software.

BUSINESS SYSTEMS GROUP

Computer Systems Division
19447 Pruneride Avenue
Cupertino, California 95014
(408) 725-8111
Business computer systems for interactive, on-line processing, data processing, data-base management and distributed data processing.

CSY Roseville Operation
8010 Foothills Boulevard
Roseville, California 95678
(916) 786-8000
Business computer systems for interactive, on-line data processing, data base management and distributed data processing.

Office Productivity Division
Hewlett-Packard Ltd
Nine Mile Ride
Easthampstead
Wokingham, Berkshire, England
Office-systems software and support for business computer systems.

Financial Systems Operation
370 West Trimble Road
San Jose, California 95131
(408) 263-7500
Software for HP business computers.

Information Resources Operation
7995 E. Prentice
Englewood, Colorado 80111
(303) 773-1992
Software for marketing and distributing organizations.

Guadalajara Computer Operation
Monte Morelos 299
Frac. Loma Bonita
Guadalajara, Talisco 45060 Mexico
(532) 622-0250
Business computers and software.

Boblingen General Systems Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany
Programmable desktop-computer systems and peripheral equipment for European scientific and industrial applications.

Administrative Productivity Division
370 West Trimble Road
San Jose, California 95131
Administrative and applications software, including distribution and financial.

Administrative Productivity Operation*
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany
Financial applications software
*Part of Administrative Productivity Division

INFORMATION TECHNOLOGY GROUP

Cupertino IC Division
11000 Wolfe Road
Cupertino, California 95014
Custom integrated circuits for HP computers, peripherals, and instruments.

Fort Collins IC Division
3403 East Harmony Road
Fort Collins, Colorado 80525

Information Technology Group
Northwest IC Division
1020 N.E. Circle Boulevard
Corvallis, Oregon 97330

COMPUTER PERIPHERALS GROUP

Boise Division
11311 Chinden Boulevard
Boise, Idaho 83707
(208) 376-6000
Impact and non-impact system line printers.

Disc Memory Division
11411 Chinden Boulevard
Boise, Idaho 83707
(208) 376-6000
Disc memory products and associated microprocessor-implemented controllers for computer systems.

Greeley Division
700 71st Avenueny Road
Greeley, Colorado 80631
(303) 356-9301
Flexible mass-storage devices; magnetic tape drives; local networking and data-communication products.

Vancouver Division
18110 S.E. 34th Street
Vancouver, Washington 98706
Word-processing, thermal, multi-purpose data-processing printers.

Computer Peripherals Bristol Division
Great Western Business Park
North Road
Yate, Bristol BS17, England
Middle-range mass storage products.

San Diego Division
16399 W. Bernardo Drive
San Diego, California 92127
(714) 487-4100
Digitizers, graphic tablets, instrumentation tape recorders, graphic plotters, recorder supplies, and X-Y, strip chart and oscillographic recorders.

PERSONAL COMPUTER GROUP

Handheld Computer and Calculator Operation
1010 N.E. Circle Boulevard
Corvallis, Oregon 97330
(503) 757-2000
Calculators for science and business; portable and handheld computers.

Portable Computer Division
1010 N.E. Circle Boulevard
Corvallis, Oregon 97330
(503) 757-2000
Personal computer systems and handheld computers and calculators.

Hewlett-Packard Do Brasil
Rua Joao Sulinski, 681
13100-Campinas, Sao Paulo
Brazil
Scientific and business calculators and personal computers.

Hewlett-Packard Singapore Pte. Ltd
1150 Depot Road
Singapore 0410
Personal, scientific and business calculators.

Roseville Terminals Division
3625 Cincinnati Avenue
Rocklin, California 95677
(916) 786-8000
Data terminals.

Personal Office Computer Division
978 East Arques
Sunnyvale, California 94086
(408) 735-1550
Small computers for the business market, interactive, microprocessor-implemented alphanumeric and graphics CRT (cathode-ray tube) terminals for data processing and commmunications.

Hewlett-Packard Company

Grenoble Personal Computer Division
Hewlett-Packard France
5 Rue Raymond Chanas
F-38320 Eybens, France
Industrial terminals and low-cost terminals

Hewlett-Packard Puerto Rico
Highway 459 KM 1
Montana Industrial Park
Aguadilla 00603 Puerto Rico
Interactive, microprocessor implemented alphanumeric and graphics CRT (cathode-ray tube) terminals

Personal Software Division
3410 Central Expressway
Santa Clara, California
(408) 725-8111
Software for personal computers; computer-aided work software and common user interfaces for portable computers, terminals and workstations

Personal Computer Group Operation
11000 Wolfe Road
Cupertino, California 95014

Personal Computer Distribution Operation
Sunnyvale, California
Manages worldwide distribution of HP personal computers and related peripherals, software, supplies and accessories

ANALYTICAL GROUP

Avondale Division
Route 41 & Starr Road
Avondale, Pennsylvania 19311
(215) 268-2281
Gas and liquid chromatographs,, automatic liquid samplers, digital integrators, analytical laboratory-data systems, chromatography columns and consumables

Scientific Instruments Division
1601 California Avenue
Palo Alto, California
(415) 857-1501
Gas chromatograph/mass spectrometers, GC/MS data systems, UV-visible diode-array spectrophotometers

Waldbronn Division
Hewlett-Packard GmbH
P.O. Box 1280,
D-7517
Waldbronn, Federal Republic of Germany
Liquid chromatographs, gas chromatographs and analytical laboratory-data systems; liquid chromatograph detectors

Analytical Supplies Operation
Route 41 & Starr Road
Avondale, Pennsylvania 19311
High quality gas and liquid chromatograph columns; also, distributes general supplies for the laboratory

Laboratory Automation Systems Operation
Route 41 and Starr Road
Avondale, Pennsylvania 19311
Software and hardware to improve laboratory productivity and information management

ENGINEERING & MANUFACTURING SYSTEMS GROUP

Data Systems Division
11000 Wolfe Road
Cupertino, California 95014
(408) 257-7000
Technical real-time computers and computer systems for factory automation, manufacturing and OEM (original equipment manufacturer) applications

Manufacturing Productivity Division
370 West Trimble Road
San Jose, California 95131
(408) 263-7500
Software systems for manufacturing organizations, including manufacturing-application financial systems

Manufacturing Test Division
815 Fourteeneth Street S.W
Loveland, Colorado 80537
(303) 667-5000
Analog and digital circuit-board testers

Loveland Instrument Division
815 Fourteenth Street, S.W
Loveland, Colorado 80537
(303) 667-500
Analog and digital multimeters, computer-controlled instrument systems (data-loggers, data acquisition systems, components-test instrumentation)

Advanced Manufacturing Systems Operation
370 West Trimble Road
San Jose, California 95131
Computer integrated manufacturing (CIM) systems; factory automation application software products

Panacom Automation Operation
24 Lexington Road
Waterloo, Ontario N2J323 Canada

Semiconductor Productivity Network Operation
370 West Trimble Road
San Jose, California 95131
Technical and product marketing, sales support and product development for computer-aided manufacturing systems for semiconductor manufacturers

MEDICAL PRODUCTS GROUP

Andover Division
3000 Minuteman Road
Andover, Massachusetts 01810
(617) 687-1501
Diagnostic instruments including electrocardiographs, cardiac stress-testing systems, physiological amplifiers and graphic recorders, computerized ECG data-management systems, computerized cardiac catheterization laboratory and ultrasound-imaging systems

Boblingen Medical Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany
Fetal/neonatal-monitoring systems and instruments for surgical recovery-room monitoring, critical-care monitoring systems and computerized arrhythmia monitoring systems

McMinnville Division
1700 South Baker
McMinnville, Oregon 97128
(503) 472-5101
X-ray and electron-beam systems for industrial applications and cardiac resuscitation systems such as defibrillators, monitors and recorders

Waltham Division
175 Wyman Street
Waltham, Massachusetts 02254
(617) 890-6300
Critical-care monitoring systems for adults, computerized arrhythmia systems for adults, computerized arrhythmia monitoring systems with recall and edit capabilities, physiological transducers, patient-monitoring recorders, computerized patient data-management systems, and hospital information systems

Health Care Productivity Operation
3000 Minuteman Road
Andover, Massachusetts 01810
Hospital information systems

Medical Supplies Center
3000 Minuteman Road
Andover, Massachusetts 01810
Stethoscopes, electrolytes, disposable ECG (electrocardiogram) monitoring electrodes, blood-pressure transducers and disposable transducer domes, chart papers, disposable pressure kits

CORPORATE MARKETING

Computer Support Division
19310 Pruneridge
Sunnyvale, California 95014
(408) 996-9383
Installation, servicing and custom support for HP computer systems

Financing and Remarketing Division
Cupertino, California
Marketing and administration for all product leasing and for resale of computers

Computer Supplies Operation
1326 Kifer Road
Sunnyvale, California 94086
(408) 738-8856
Computer accessories, supplies, software and furniture for all HP computers

Test and Measurement Products

Instrument Support Division
690 E. Middlefield Road
Mountain View, California 94042
(415) 969-0880
Bench service, on-site service and repairs, and systems engineering for HP instrument products

Corporate Parts Center
333 Logue Avenue
Mountain View, California 94042
Replacement parts, exchange modules and supplies

Instrument Products Operation
1320 Kifer Road
Sunnyvale, California 94086
Low-priced instrumentation products and accessories

Apollo Computer Inc
Designs, manufactures, markets and services network-based workstation and open computing products

Transfer Agent(s):

Harris Trust and Savings Bank
Corporate Trust Operations Division
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): New York, Pacific

Ticker Symbol: HWP

Number of Employees:

1990	92,000	1987	82,000
1989	95,000	1986	82,000
1988	87,000		

Plant Footage:

1990	37,000,000 sq. ft.	1987	30,000,000
1989	35,200,000	1986	28,500,000
1988	N.A.		

N.A.-Not Available

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 13,233,000	$ 739,000
1989	11,899,000	829,000
1988	9,831,000	816,000
1987	8,090,000	644,000
1986	7,102,000	516,000

	No. of Com. Shares	Earn. per Share ‡
1990	244,000,000	$ 3.06
1989	238,000,000	3.52
1988	234,000,000	3.36
1987	257,000,000	2.50
1986	256,000,000	2.02

‡ Based on the average number of shares outstanding

Revenues by Line of Business
(000's)

	1990	1989
Measurement, design, info., & mfg. equip. & syst.	$ 4,856,000	$ 4,631,000
Peripherals & network prods.	3,975,000	3,486,000
Serv. for equip., syst. & peripherals	2,653,000	2,157,000
Medical elec. equip & serv.	875,000	807,000
Analytical instrumentation & serv.	572,000	535,000
Elec. components	302,000	283,000
Total	$ 13,233,000	$ 11,899,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.42	—	—
1989	0.36	—	—
1988	0.28	—	—
1987	0.23	—	—
1986	0.22	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 6,363,000	$ 26.08
1989	5,446,000	22.88
1988	4,533,000	19.37
1987	5,022,000	19.54
1986	4,374,000	17.09

Income Account *
(000's)

Year ended Oct. 31	1990	1989
Revenues		
Equipment	$ 10,214,000	$ 9,404,000
Services	3,019,000	2,495,000
Total revenues	$ 13,233,000	$ 11,899,000
Cost of revenues	6,993,000	6,091,000
Expenses		
Res. & develop.	1,367,000	1,269,000
Sell., gen., & adm.	3,711,000	3,327,000
Interest income	(66,000)	(65,000)
Interest expense	172,000	126,000
Income before taxes	$ 1,056,000	$ 1,151,000
Income taxes	317,000	322,000
Net Income	$ 739,000	$ 829,000

* Included in Costs and Expenses, Depreciation and Amortization $566,000,000 in 1990 and $462,000,000 in 1989.

Assets
(000's)

As of Oct. 31	1990	1989
Cash & cash equiv.	$ 1,077,000	$ 906,000
Accts. & notes recvs., net	2,883,000	2,494,000
*Inventories	2,092,000	1,947,000
Other curr. assets	458,000	384,000
Current Assets	$ 6,510,000	$ 5,731,000
≠Fixed assets	3,201,000	2,893,000
Other assets	1,684,000	1,451,000
Total Assets	$ 11,395,000	$ 10,075,000

Liabilities
(000's)

	1990	1989
Notes payable & short-term borrowings	$ 1,896,000	$ 1,341,000
Accts. payable	660,000	642,000
Empl. compensation	773,000	748,000
Income taxes	257,000	309,000
Deferred revenues	347,000	256,000
Other accruals	510,000	447,000
Curr. Liabilities	$ 4,443,000	$ 3,743,000
Long-term debt	139,000	474,000
Other liabilities	189,000	164,000
Deferred inc. taxes	261,000	248,000
+Common stock & add. paid-in capital	739,000	459,000
Retained earnings	5,624,000	4,987,000
Total Liabilities & Shareholders' Equity	$ 11,395,000	$ 10,075,000

* At standard costs, not in excess of market.
≠ Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income before Taxes to Revenues	7.98	9.67
% Net Income to Revenues	5.58	6.97
% Net Income to Equity	11.61	15.22
Debt to Equity	0.32	0.33
Working Capital	$ 2,067,000,000	$ 1,988,000,000
Current Ratio	1.47	1.53
Shareholders' Equity	$ 6,363,000,000	$ 5,446,000,000

The Hickok Electrical Instrument Company

10514 Dupont Avenue
Cleveland, Ohio 44108
(216) 541-8060
FAX: (216) 761-9879

Officers: Robert D. Hickok, chairman & chief executive officer; Robert L. Purcell, vice chairman & chief financial & administrative officer; Robert L. Bauman, president; Michael Miller, secretary.

Directors: Robert D. Hickok, chairman; Thomas H. Barton, H. Bruce Boal, George S. Lockwood, Jr., Robert L. Purcell, Harry J. Fallon, Robert L. Bauman.

Areas of Work: Develops, manufactures, and markets a wide range of precision indicating instruments and electronic test equipment. Also produces electronic measuring instruments used in servicing all types of electronic and electrical apparatus. In addition, the company has developed and marketed a broad line of vocational training equipment for teaching a variety of skills, including basic electricity and electronics, fluid power, communications and computer maintenance.

Subsidiaries:

Supreme Electronics Corp.
1714-16 Carrollton
Greenwood, Mississippi 38930
(601) 453-6212

Electronic test equipment, specialized measuring devices, indicating instruments, and automotive diagnostic equipment.

Hickok Teaching Systems, Inc.
Cleveland, Ohio

Systems to assist in the teaching of technologies and vocational school training equipment.

Transfer Agent(s):

The Huntington National Bank
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HICKA (NASDAQ)

Number of Employees:

1990	223	1988	206
1989	224	1987	202

Plant Footage:

1990	102,000 sq. ft.	1988	102,000
1989	102,000	1987	102,000

Sales & Earnings

	Net Sales ≠	Net Income †
1990	$ 10,531,000	$ 812,040
1989	10,485,000	833,467
1988	9,869,000	1,029,879
1987	7,747,000	466,531
1986	5,515,000	(323,416)

	No. of Com. Shares +	Earn. per Share †+
1990	609,712	$ 1.33
1989	609,712	1.37
1988	607,140	1.70
1987	603,051	0.77
1986	603,082	—

(Loss)
≠ Of continuing operations only.
† Including extraordinary gains of $98,000 ($0.16 per share) in 1989, $374,000 ($0.62 per share) in 1988 and $203,000 ($0.33 per share) in 1987.
+ Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.10	—	—
1989	0.10	—	—

Common Stock Equity

	Total Equity ≠	Equity Per Share ‡
1990	$ 4,842,928	$ 7.94
1989	4,067,277	6.67
1988	3,270,199	5.39
1987	2,230,544	3.70
1986	1,764,196	2.93

‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 10,531,222	$ 10,485,200
Cost of sales	4,913,297	5,416,662
Prod. develop.	1,469,326	1,363,575
Expenses	2,829,725	2,372,024
Bad debt expense	8,608	—
Interest expense	66,226	100,824
Income bef. taxes	$ 1,244,040	$ 1,232,115
Income taxes	432,000	421,000
Inc.-cont. oper.	$ 812,040	$ 811,115
Loss-discont. oper.	—	(75,648)
Net Income	$ 812,040	$ 735,467
Extraord. gain	—	98,000
Net Income & extraord. gain	$ 812,040	$ 833,467

* Included in Costs and Expenses, Depreciation $134,158 in 1990 and $126,673 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	$ 356,813	$ 201,446
Accts. receiv., net	2,738,829	3,554,835
*Inventories	2,671,706	2,442,328
Prepaid expenses	79,256	17,433
Current Assets	$ 5,846,604	$ 6,216,042
Cash value of life insurance	141,339	117,626
#Fixed assets	695,903	579,028
Prepaid rent & other deposits	4,438	3,932
Total Assets	$ 6,688,284	$ 6,916,628

Liabilities

	1990	1989
Notes payable	$ 350	$ 1,275
Long-term debt, curr	143,537	90,626
Accts. payable	199,037	330,119
Accruals	1,022,230	815,891
Accrued income taxes	129,193	192,819
Curr. Liabilities	$ 1,843,997	$ 2,704,455
Long-term debt	1,359	144,896
+Common stock		
Class A	363,892	363,892
Class B	245,820	245,820
Add. paid-in capital	1,272,151	1,272,151
Retained earnings	2,961,065	2,185,414
Total Liabilities & Shareholders' Equity	$ 6,688,284	$ 6,916,628

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	11.81	
% Net Income to Sales	7.71	
% Net Income to Equity	16.77	20.49
Sales to Inventories	3.94	4.29
Debt to Equity	0.03	0.37
Working Capital	$ 4,002,607	$ 3,511,587
Current Ratio	3.17	2.30
Shareholders' Equity	$ 4,842,928	$ 4,067,277

Hipotronics, Inc.

P.O. Drawer A
Route 22
Brewster, New York 10509
(914) 279-8091
FAX: (914) 279-2467

Officers: Stanley G. Peschel, chairman of the board & president; Derrick D. Martin, v.p.-international sales; Robert Schlesinger, v.p.-North American & European sales; Banning B. Howes, treasurer; Richard Connell, v.p.-engineering; Anne H. Tighe, secretary.

Directors: Stanley G. Peschel, chairman; William J. Florence, Jr., Stephen S. Peschel, Robert R. Grew, Michael T. Peschel, William E. Larzelere, Jr.

Areas of Work: Designs and manufactures high voltage devices and systems to test materials and equipment used in the transmission of electricity; also designs and manufactures test equipment and high voltage power supplies for use in the electronics industry. Products include AC/DC dielectric test systems capacitors, DC insulation test equipment, wire sparkers, cable fault locators, AC-DC hipot testers and megohmmeters, power supplies, corona test systems, automatic sequential test systems, transformers, magnet wire test systems and miscellaneous high voltage hardware and accessories.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: HIP

Number of Employees:

1990	240	1987	200
1989	250	1986	N.A.
1988	222		

Plant Footage:

1990	142,000 sq. ft.	1987	120,000
1989	142,000	1986	N.A.
1988	120,000		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 26,432,426	$ 3,324,161
1989	25,865,120	3,089,710
1988*	22,321,670	2,370,084
1987	18,550,478	1,880,584
1986	17,012,153	1,484,622

	No. of Com. Shares †	Earn. per Share †
1990	2,063,222	$ 1.61
1989	2,061,081	1.50
1988*	2,038,593	1.16
1987	2,066,241	0.91
1986	2,095,419	0.71

* 53 weeks
† Based on the average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989	1988	1987
Power supplies	17%	17%	21%	18%
Dielectric	44	41	33	39
Other	39	42	46	43
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.33	—	—
1989	0.23	—	—
1988	0.20	—	3-for-2
1987	0.16	—	—
1986	0.13	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 14,638,604	$ 7.10
1989	11,689,690	5.67
1988	10,542,458	5.17
1987	8,637,471	4.18
1986	7,661,766	3.66

+ Based on the average number of common shares outstanding adjusted to reflect stock split.

Income Account*

Year ended Nov. 30	1990	1989
Net sales	$ 26,432,426	$ 25,865,120
Cost of sales	15,781,554	14,754,960
Expenses	5,492,633	6,324,271
Oper. profit	$ 5,158,239	$ 4,785,889
Interest expense	113,466	133,430
Interest income	(131,156)	(86,944)
Other income	(20,232)	(60,307)
Income before taxes	$ 5,196,161	$ 4,799,710
Income taxes	1,872,000	1,710,000
Net Income	$ 3,324,161	$ 3,089,710

* Included in Costs and Expenses, Depreciation: $523,155 in 1990 and $499,432 in 1989.

Assets

As of Nov. 30	1990	1989
Cash & cash equiv.	$ 3,026,993	$ 270,785
Accts. receiv., net	6,347,347	6,569,625
*Inventories	5,304,888	5,242,931
Deferred inc. taxes	99,006	117,347
Other curr. assets	390,097	92,894
Current Assets	$ 15,168,331	$ 12,293,582
#Fixed assets	4,077,279	3,984,266
Unexpended funds	7,126	7,288
Other assets	263,710	348,804
Total Assets	$ 19,516,446	$ 16,633,940

Liabilities

	1990	1989
Long-term debt, curr	$ 220,000	$ 220,000
Accts. payable	652,112	595,123
Accrued payroll	258,176	329,554
Accrued commissions	662,433	932,141
Other accruals	355,669	499,526
Income taxes	285,172	157,855
Cust. deposits	737,444	400,074
Dividends payable	367,646	265,522
Curr. Liabilities	$ 3,538,652	$ 3,399,795
Long-term debt	1,045,000	1,265,000
Deferred inc. taxes	294,190	279,455
+Common stock	231,032	231,032
Add. paid-in capital	3,919,370	3,919,370
Retained earnings	14,946,213	12,284,890
Treasury stock	(3,199,888)	(3,199,888)
Deferred ESOP expense	(1,258,123)	(1,545,714)
Total Liabilities & Shareholders' Equity	$ 19,516,446	$ 16,633,940

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1990	1989
% Income before Taxes to Sales	19.66	18.56
% Net Income to Sales	12.58	11.95
% Net Income to Equity	22.71	26.43
Sales to Inventories	4.98	4.93
Debt to Equity	0.09	0.13
Working Capital	$ 11,629,679	$ 8,893,787
Current Ratio	4.29	3.62
Shareholders' Equity	$ 14,638,604	$ 11,689,690

Hi-Shear Industries Inc.

3333 New Hyde Park Road
North Hills, New York 11042
(516) 627-8600
FAX (516) 365-8629

Officers: David A. Wingate, chairman, president & chief exec. officer; Leo J. Ragan, president & chief operating officer- Hi-Shear Corp.; Victor J. Galgano, treasurer & controller; Harold L. Bernstein, secretary; Thomas R. Mooney, president-Hi-Shear Technology Corp.; Alex Lee, v.p.-sales & marketing; Jerome M. Lyons, v.p.-administration.

Directors: David A. Wingate, chairman; Harold L. Bernstein, David Boyd Chase, Philip M. Slonim.

Areas of Work: Manufactures high-technology products for aerospace and defense applications. The Aerospace Fastening Systems division provides proprietary structural fastening systems primarily for commercial and military aircraft. The Space and Defense Systems division designs and manufactures sophisticated electro-explosive and propellant-actuated devices and electronic products for missiles, aircraft, spacecraft and naval vessels.

Divisions:

Aerospace Fastening Systems
Space and Defense Systems

Subsidiaries:

Hi-Shear Corporation
2600 Skypark Drive
Torrance, California 90509
Aerospace fastening systems

Hi-Shear Technology Corp.
24225 Garnier Street
Torrance, California 90509
Space and defense ordnance systems

Defense Systems Corporation
204 Edison Way
Reno, Nevada 89502

Hi-Shear DISC
HSI Properties, Inc.
Hi-Shear Holdings Limited

HSC Fasteners Europe Ltd.
Rugby, England
Manufactures and markets aerospace fastening systems in Europe.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): New York

Ticker Symbol: HSI

Number of Employees:

1990	N.A.	1987	1,000
1989	850	1986	995
1988	1,000		

Plant Footage:

1990	N.A.	1987	354,500
1989	N.A.	1986	341,000
1988	439,600 sq. ft.		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income †
1990	$ 101,159,000	$ 1,395,000
1989	81,626,000	(143,000)
1988	80,401,000	4,878,000
1987	78,893,000	4,829,000
1986	77,115,000	12,781,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	5,855,000	$ 0.24
1989	5,849,000	—
1988	5,840,000	0.84
1987	5,875,000	0.82
1986	5,862,000	2.18

( ) Loss.
† Including extraordinary gain of $1,761,000 ($0.30 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Aerospace fastening systems	$ 85,048,000	$ 66,241,000
Space & defense systems	16,111,000	15,385,000
Total	$ 101,159,000	$ 81,626,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.44	—	—
1989	0.44	—	—
1988	0.44	—	—
1987	0.44	—	—
1986	0.41	—	5-for-4

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 60,071,000	$ 10.26
1989	61,047,000	10.43
1988	63,793,000	11.01
1987	62,539,000	10.62
1986	59,842,000	10.20

‡ Adjusted to reflect stock split.

Income Account*
(000's)

Year ended May 31	1990	1989
Net sales	$ 98,648	$ 79,630
Other income	2,511	1,996
Total income	$ 101,159	$ 81,626
Cost of sales	81,022	68,885
Expenses	19,390	13,642
Oper. profit (loss)	$ 747	$ (901)
Interest income	(347)	(794)
Interest expense	1,337	510
Other income	(2,205)	—
Inc. (loss) bef. taxes	$ 1,962	$ (617)
Income taxes (credit)	567	(474)
Net Income (Loss)	$ 1,395	$ (143)

* Included in Costs and Expenses. Depreciation and Amortization: $2,956,000 in 1990 and $2,285,000 in 1989.

Assets
(000's)

As of May 31	1990	1989
Cash & cash equiv.	$ 1,620	$ 2,822
Short-term invest.	—	900
Accts. receiv., net	24,931	19,693
*Inventories	45,655	38,177
Deferred income taxes	3,025	1,896
Other curr. assets	1,655	1,421
Current Assets	$ 76,886	$ 65,109
≠Fixed assets	24,263	19,397
Other assets	1,119	856
Total Assets	$ 102,268	$ 86,876

Liabilities
(000's)

Notes payable	$ 3,401	$ 2,860
Accts. payable	13,126	8,972
Accrued inc. taxes	3,158	486
Accrued payroll	4,218	1,589
Other accruals	4,077	2,483
Curr. Liabilities	$ 27,980	$ 18,390
Long-term debt	12,693	3,209
Deferred inc. taxes	1,273	2,128
Other liabilities	251	588
+Common stock	614	614
Add. paid-in capital	34,572	34,572
Retained earnings	28,026	29,207
For. curr. trans. adjust.	(437)	(642)
Treasury stock	(2,704)	(2,704)
Total Liabilities & Shareholders' Equity	$ 102,268	$ 85,362

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.99	—
% Net Income to Sales	1.41	—
% Net Income to Equity	2.32	—
Sales to Inventories	2.16	2.00
Debt to Equity	0.27	0.10
Working Capital	$ 48,906,000	$ 46,719,000
Current Ratio	2.75	3.54
Shareholders' Equity	$ 60,071,000	$ 61,047,000

Hitachi, Ltd.

6, Kanda-Surugadai 4-chome
Chiyoda-ku
Tokyo 101, Japan

Officers and Directors: Katsushige Mita, president & representative director; Shiro Kawada, executive v.p. & representative director; Yutaka Sonoyama, Sutezo Hata, Takeo Miura, Tsutomu Kanai, Toshi Kitamura, Exec. v.p. & directors; Tadashi Okita, Reijiro Fukutomi, Tadakatsu Kano, Iwao Matsuoka, Nobuji Kamachi, Toori Sato, senior executive managing directors; Takashi Kashiwagi, Kazuo Kimbara, Yasuhiko Tani, Kazuo Morita, Shiro Kawate, Toshiharu Arai, Hiroshi Takano, Masao Hamada, Yasutsugu Takeda, Takeo Takemoto, Asahiko Isobe, Exec. managing directors.

Yutaka Takuma, Noboru Hatano, Takashi Nonouchi, Tadahiko Shinohara, Tsuneo Tanaka, Hiroshi Kawahara, Yugo Kitagawa, Takeshi Sasaki, Mikio Murai, Board directors.

Areas of Work: Consumer Products include television sets, hi-fi audio equipment, radios, tape recorders, VTRs, video cameras, room air conditioners, refrigerators, washing machines, microwave ovens, vacuum cleaners, space heating and warming appliances, kitchen appliances, lighting fixtures, dry batteries, and audio and video tapes.

Information and Communication Systems and Electronic Devices include computers, computer terminals and peripherals, magnetic disks, word processors, telephone exchanges, facsimile equipment, broadcasting equipment, integrated circuits, semiconductors, picture tubes, CRT displays, liquid crystal displays, magnetrons, test and measurement equipment, analytical instruments, and medical electronics equipment.

Power Systems and Equipment include power plants, turbines, generators, boilers, transformers, circuit breakers, motors, control equipment, switchboards, and automobile parts and accessories.

Industrial Machinery and Plants include compressors, pumps, blowers, rolling mill equipment, chemical plants, tonnage oxygen plants, construction machinery, cranes, elevators, escalators, refrigeration equipment, air conditioning equipment, environmental control equipment, welding equipment, industrial robots, electric locomotives, diesel locomotives, passenger coaches, electric cars, diesel cars and monorail cars.

Wire and Cable, Metals, Chemicals and other Products include electric wire and cable, rolled copper products, optical fiber cable, special steels, rollers for rolling mills, malleable cast iron products, forged and cast steel products, pipe fittings, synthetic resin materials and products, carbon and graphite products, electric insulating materials, printed circuit boards and ceramic materials.

Manufacturing Subsidiaries:

Hitachi Cable, Ltd.
Hitachi Metals, Ltd.
Hitachi Chemical Co., Ltd.

Hitachi Construction Machinery Co., Ltd.
Hitachi Maxell, Ltd.
Babcock-Hitachi K.K.
Japan Servo Co., Ltd.
Hitachi Denshi, Ltd.
Hitachi Electronics Engineering Co., Ltd.
Hitachi Seiki, Ltd.
Hitachi Medical Corporation
Hitachi Lighting, Ltd.
Hitachi Machinery & Engineering, Ltd.
Hitachi Telecom Technologies Co., Ltd.
Asahi Kogyo Co., Ltd.
Hitachi Hokkai Semiconductor, Ltd.
Hitachi Tochigi Electronics Co., Ltd.
Hitachi Tohbu Semiconductor, Ltd.
Hitachi Hometec, Ltd.
Hitachi Kiden Kogyo, Ltd.
Hitachi Tokyo Electronics Co., Ltd.

Manufacturing Subsidiaries (U.S.)

High Voltage Breakers, Inc.
Hitachi Automotive Products (USA), Inc.
Hitachi Cable Manchester, Inc.
Hitachi Computer Products (America), Inc.
Hitachi Consumer Products of America, Inc.
Hitachi Semiconductor (America) Inc.
Maxell America Inc.
AAP St. Marys Corporation
Hitachi Cable Indiana Inc.
Hitachi Chemical Electro-Products, Inc.
Hitachi Digital Graphics (USA), Inc.
Hitachi Telecom (USA), Inc.
HMT Technology Corporation

Transfer Agent(s):

Tokyo Securities Transfer Agent Co., Ltd.

Stock Exchange(s): Tokyo, New York*

Ticker Symbol: HIT (New York Stock Exchange)* * Trades as an American Depositary Receipt

Number of Employees:

1990	290,811	1987	161,325
1989	274,508	1986	164,117
1988	263,996		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1990	¥ 7,077,855	¥ 210,963
1989	6,401,417	185,587
1988	5,716,962	136,806
1987	5,541,247	98,676
1986	5,010,459	150,218

	No. of Com. Shares	Earn. per Share ‡
1990	3,072,846,556	¥ 61.71
1989	3,017,685,948	56.14
1988	2,921,653,675	42.03
1987	2,816,258,283	31.86
1986	2,803,390,998	48.24

¥ - Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues By Line of Business
(millions)

	1990	1989
Power systems & equip.	¥ 989,000	¥ 881,000
Consumer products	1,000,000	1,033,000
Information & communication systems & elec. devices	2,318,000	2,051,000
Industrial machinery & plants	1,208,000	1,046,000
Wire & cable, metals, chemicals & other products	1,563,000	1,390,000
Total	¥ 7,078,000	¥ 6,401,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 8.88	—	—
1989	8.82	—	—
1988	8.69	—	—
1987	8.37	—	—
1986	8.50	—	—

Common Stock Equity

	Total Equity (millions)	Equity Per Share
1990	¥ 2,560,835	¥ 833.37
1989	2,281,556	756.06
1988	2,018,547	690.89
1987	1,825,968	648.36
1986	1,742,655	621.62

Income Account *
(millions)

Year ended Mar. 31	1990	1989
Net sales	¥ 7,077,855	¥ 6,401,417
Cost of sales	5,023,533	4,552,089
Expenses	1,553,218	1,416,142
Interest expense	97,047	71,438
Interest income	(151,488)	(118,597)
Dividend income	(10,829)	(8,878)
Other income	(14,760)	(15,751)
Other expense	51,144	13,869
Income before taxes	¥ 529,990	¥ 491,105
Income taxes	281,309	272,776
Minority interests	37,718	32,742
Net Income	¥ 210,963	¥ 185,587

* Included in Costs and Expenses, Depreciation ¥ 407,152,000,000 in 1990 and ¥ 366,268,000,000 in 1989

Assets
(millions)

As of Mar. 31	1990	1989
Cash & cash equiv.	¥ 1,853,734	¥ 1,638,328
Short-term invest.	324,784	385,085
Accts. receiv., net	1,594,265	1,372,106
*Inventories	1,355,007	1,249,806
Prepaid expenses	263,112	224,419
Current Assets	¥ 5,390,902	¥ 4,869,744
Receivables & restricted funds	134,868	121,766
Investments & advances	358,736	324,012
#Fixed assets	1,708,891	1,473,549
Other assets	211,689	148,580
Total Assets	¥ 7,805,086	¥ 6,937,651

Liabilities
(millions)

	1990	1989
Short-term bank loans	¥ 781,590	¥ 819,542
Long-term debt, curr.	46,790	44,726
Accts. payable	928,665	815,392
Accruals	553,679	446,038
Income taxes	157,179	186,125
Advances received	434,234	510,342
Employees' deposits	127,864	123,716
Other current liabilities	284,906	237,619
Curr. Liabilities	¥ 3,314,907	¥ 3,183,500
Long-term debt	886,798	520,885
Retirement benefits	493,955	481,335
Minority interest	548,591	470,375
+Common stock	246,913	219,350
Add. paid-in capital	357,775	302,651
Legal reserve	60,021	56,190
Retained earnings	1,911,144	1,740,285
For. curr. trans. adjust.	(15,018)	(36,920)
Total Liabilities & Shareholders' Equity	¥ 7,805,086	¥ 6,937,651

* At lower of cost or market. Job order inventories by specific identification method and raw materials and all other inventories by the average cost method.
# Less accumulated depreciation.
+ ¥ 50 par value

Statistical Summary

%Income bef. Taxes to Sales	7.49	7.67
%Net Income to Sales	2.98	2.90
%Net Income to Equity	8.24	8.13
Sales to Inventories	5.22	5.12
Debt to Equity	0.67	0.61
Working Capital (000's)	¥2,075,995,000	¥1,686,244,000
Current Ratio	1.63	1.53
Shareholders' Equity (000's)	¥2,560,835,000	¥2,281,556,000

Honeywell Inc.

Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-5200
FAX: (612) 870-6231

Officers: James J. Renier, chairman & chief executive officer; Fosten A. Boyle, v.p.-human resources; Michael R. Bonsignore, exec. v.p. & chief operating officer; Joe F. Chenoweth, sr. corp. v.p.-International; Christopher J. Steffen, exec. v.p. & chief financial and administrative officer; Clint O. Larson, v.p.-operations; D. L. Moore, exec. v.p. & chief operating officer; David W. Devonshire, v.p. & controller; James J. Grierson, v.p.-finance; David R. Bergerson, v.p. & general counsel; William M. Hjerpe, v.p. & treasurer; G. Nichols Simonds, v.p.-information services; Sigurd Ueland, Jr., v.p. & secretary

Directors: William H. Donaldson, Albert J. Bacioceo, Jr., James J. Renier*, Michael R. Bonsignore, Alexander J. MacIntosh, E. Hubert Clark, Jr., Geri M. Joseph*, Elizabeth E. Bailey, James J. Howard, III, Steven G. Rothmeier*, D. Larry Moore, Michael W. Wright*, A. Barry Rand, Gerald Greenwald, Christopher J. Steffen

* Member of the Executive Committee

Areas of Work: The Company's products and services involve three industry segments: Space and Aviation, Industrial, and Homes & Buildings.

Divisions and Subsidiaries:

SPACE AND AVIATION SYSTEMS

Space Systems Group

Commercial Flight Systems Group

Air Transport Systems Division
Phoenix, Arizona

Automatic flight control systems, electronic cockpit displays, flight management systems, flight reference sensors, navigation, surveillance and warning systems, inertial reference systems, air-data computers, communications systems, worldwide customer service centers.

Business and Commuter Aviation Systems Division
Glendale, Arizona

Automatic flight control systems, electronic cockpit displays, flight management systems, flight reference sensors, navigation, surveillance and warnings systems, inertial reference systems, air-data computers, communications systems, worldwide customer service centers.

Military Avionics Systems Group

Defense Avionics Systems Division
Albuquerque, New Mexico

Automatic flight control systems, electronic cockpit display systems; flight reference systems, cockpit systems integration, unmanned vehicle electronics

Military Avionics Division
Minneapolis, Minnesota

Laser inertial navigation and guidance systems, flight controls, inertial sensors, radar altimeters, automatic test systems, helmet-mounted display and sighting systems

INDUSTRIAL

Keyboard Division
El Paso, Texas

Keyboards and touch panels for data entry and control

Micro Switch Division
Freeport, Illinois

Solid-state sensors for position, pressure, air-flow, temperature and current; precision electromechanical switches; manual controls; advanced vision-based sensors, sensor interface devices; optoelectronic, fiber-optic and encoder systems and components

Skinner Valve Division
New Britain, Connecticut

Solenoid valves

Industrial Automation and Control Division
Fort Washington, Pennsylvania
Phoenix, Arizona

Continuous and batch information and control systems for hybrid operations of process plants

HOME AND BUILDING AUTOMATION AND CONTROL

Protection Services Division
Minneapolis, Minnesota

Security services for homes and commercial buildings, including burglary and fire protection, access control, closed circuit video, maintenance and 24-hour monitoring by customer service centers

Residential & Building Controls Division
Golden Valley, Minnesota

Air-quality products, automatic controls for heating, cooling, ventilating, air conditioning, humidifying equipment, systems for residences and small buildings

Commercial Buildings Group
Minneapolis, Minnesota

Comfort controls, building management systems, fire alarm and security systems, energy retrofit systems and services, contract maintenance and building operations service for commercial buildings; integrated systems and service packages for specific customer segments

INTERNATIONAL

Asia-Pacific
Honeywell Asia-Pacific Inc
Hong Kong

Canada
Honeywell Limited
Toronto, Ontario, Canada

Europe
Honeywell Europe S.A
Brussels, Belgium

Latin American Division
Minneapolis, Minnesota

CORPORATE

Sensors & Systems Center
Minneapolis, Minnesota

Systems engineering for integration of computers, communications and control systems for commercial buildings and manufacturing automation

Tetra Tech Data Services Inc
Pasadena, California

Computer and fiber-optic systems

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10242-4935

Stock Exchange(s): New York, London, Paris, Antwerp, Amsterdam, Brussels, Geneva, Zurich, Basel

Ticker Symbol: HON

Number of Employees:

1990	60,332	1987	78,881
1989	65,300	1986	78,097
1988	78,400		

Sales & Earnings

	Net Sales ≠ (000's)	Net Income (000's)
1990	$ 6,309,100	$ 381,900
1989	6,058,600	604,100
1988	5,857,000	(434,900)
1987	5,589,500	253,700
1986	4,475,100	(398,100)

	No. of Com Shares ‡	Earn per Share ‡
1990	75,900,000	$ 5.03
1989	85,200,000	7.09
1988	85,100,000	—
1987	88,200,000	2.88
1986	90,200,000	—

(Loss)
≠ Of continuing operations only
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

	1990	1989
Homes and buildings	$ 2,196,700	$ 2,076,800
Industrial	1,653,500	1,491,400
Space and aviation	2,071,300	2,004,100
Other	387,600	486,300
Total	$ 6,309,100	$ 6,058,600

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.40625	—	2-for-1
1989	1.13125	—	—
1988	1.05000	—	—
1987	1.01250	—	—
1986	1.00000		—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 1,696,900,000	$ 23.97
1989	1,918,200,000	23.98
1988	1,731,300,000	20.07
1987	2,245,300,000	26.40
1986	2,221,200,000	24.34

+ Adjusted to reflect stock split

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 6,309,100	$ 6,058,600
Cost of sales	4,308,700	4,172,500
Expenses	1,449,600	1,411,400
Prov. for restruc. activities	—	81,600
Interest expense	106,000	135,200
Interest income	(38,400)	(44,900)
Gain on sale of assets	(21,700)	(340,100)
Equity income	(11,500)	(33,000)
Income before taxes	$ 516,400	$ 675,900
Income taxes	144,600	125,600
Income-cont. oper	$ 371,800	$ 550,300
Income-discont. oper	10,100	53,800
Net Income	$ 381,900	$ 604,100

* Included in Costs and Expenses, Depreciation: $236,100,000 in 1990 and $247,800,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv	$ 330,300	$ 230,600
Short-term invest	37,600	23,500
Receivables	1,083,500	1,255,300
*Inventories	972,300	1,071,600
Deferred inc. taxes	158,500	219,700
Current Assets	$ 2,582,200	$ 2,800,700
Investments & advances	154,500	170,400
≠Fixed assets	1,150,300	1,188,900
Deferred inc. taxes	108,600	71,700
Long-term receiv	90,700	93,100
Goodwill	101,000	104,300
Patents, licenses & trademarks	155,000	179,000
Software & other intang	322,300	318,400
Other assets	81,600	73,600
Net assets - discont. oper	—	258,100
Total Assets	$ 4,746,200	$ 1,918,200

Liabilities
(000's)

	1990	1989
Short-term debt	$ 109,000	$ 145,600
Accts. payable	404,900	286,500
Cust. advances	104,300	84,400
Income taxes	315,700	491,700
Accrued compen	415,200	419,100
Accrued interest	130,200	154,500
Other accruals	695,800	834,000
Curr. Liabilities	$ 2,175,100	$ 2,415,800
Long-term debt	616,300	692,500
Deferred inc. taxes	35,800	27,400
Other liab	222,100	204,300
+Common stock	141,800	71,000
Add. paid-in capital	522,400	614,400
Retained earnings	1,894,100	1,748,000
Treasury stock	(992,200)	(575,000)
For. curr. translation	130,800	59,800
Total Liabilities & Shareholders' Equity	$ 4,746,200	$ 5,258,200

* At lower of cost (weighted average) or market
≠ Less accumulated depreciation
+ $1.50 par value

Statistical Summary

% Net Income to Equity	22.51	31.49
Sales to Inventories	6.49	5.65
Debt to Equity	0.43	0.44
Working Capital	$ 407,100,000	$ 384,900,000
Current Ratio	1.19	1.16
Shareholders' Equity	$ 1,696,900,000	$ 1,918,200,000

Hubbell, Incorporated

584 Derby Milford Road
Orange, Connecticut 06477-4024
(203) 799-4100
FAX (203) 799-4333

Officers: G. J. Ratcliffe, chairman of the board, president & chief executive officer; Vincent R. Petrecca, exec. v.p.; Harry B. Rowell, Jr., exec. v.p.; Thomas H. Pluff, group v.p.; Edward C. Corner, v.p.-development & planning; Richard W. Davies, general counsel & secretary; James H. Biggart, Jr., treasurer; William A. Finnell, asst. treasurer; Thomas J. Geiger, asst. treasurer; James K. Braun, asst. treasurer

Hubbell, Incorporated

Directors: George W. Edwards, Jr., Robert N. Flint, G. J. Ratcliffe, Andrew McNally, IV, Horace G. McDonell, Joel S. Hoffman, Daniel J. Meyer

Areas of Work: Manufactures and markets electrical and electronic products for a broad range of commercial, industrial, telecommunications, and utility applications

Divisions and Subsidiaries:

Wiring Device Division
Bridgeport, CT
Vega Baja, Puerto Rico
Electrical wiring devices, ground fault circuit interruptors, medical power centers, floor boxes, marine and corrosion resistant products, hospital and medical special purpose products

Hubbell Plastics, Inc
Prospect Drive
Newton, Connecticut 06470
(203) 426-2555
Custom-molded plastic parts for electrical/electronics, appliance, hardware, recreation, packaging and automotive markets

Hubbell Premise Wiring, Inc
Willimantic, CT
Marion, North Carolina

Kellems Division
Route One, Lord's Hill
Stonington, Connecticut 06378
(203) 535-1250
Mechanical holding devices for cable, rope, hose, and flexible conduit for utility, contractor, and industrial markets

Lighting Division
Christiansburg, Virginia
Moultrie, Georgia
Outdoor and indoor area lighting, landscape and hazardous-location lighting for commercial buildings, stadiums, gymnasiums, industrial plants, and residential use; underwater and reflecting pool lighting

Harvey Hubbell Lighting, Inc
Martin, Tennessee

Marvin Electric Manufacturing Company, Inc
Los Angeles, California

Hubbell Industrial Controls, Inc
50 Edwards Street
Madison, Ohio 44057
(216) 428-1161
Heavy-duty electrical and electronic control equipment for industrial markets

Pulse Communications, Inc
2900 Towerview Boulevard
Herndon, Virginia 22071
(703) 471-2900
Manufactures electronic products related to the transmission and control of data, teleprinter, voice and television signals

Hubbell Hermetic Refrigeration, Inc
2522 West Holly Street
Phoenix, Arizona
(602) 272-6551
Remanufacture of refrigeration and air conditioning compressors

The Kerite Company
49 Day Street
Seymour, Connecticut 06483
(203) 888-2591
Proprietary insulated wire and cable for railroads, electric utilities, and industrial markets

Raco, Inc
South Bend, Indiana
Manufactures steel and plastic boxes for electrical connections at outlet, switch, and junction locations; fittings for electrical wiring systems

The Ohio Brass Company
Wadsworth, Ohio
Aiken, South Carolina
Polymer and ceramic insulators, surge arresters, transit and industrial haulage system components

Hubbell Canada, Inc
870 Brock Road South
Pickering, Ontario, Canada
(416) 839-1139
Manufacture and assembly of wiring devices, mesh grips, lighting fixtures, industrial controls

Harvey Hubbell Ltd
Kempston, Bedfordshire, England
Manufacture and assembly of fuse switches, contactors, timers, lighting fixtures, motor controls

Killark Electric Manufacturing Company
St. Louis & Louisiana, Missouri
Sparta, Illinois
Standard and specialized wiring devices, lighting fixtures, fittings, and enclosures

Harvey Hubbell, S.E. Asia (Pte.) Ltd
Singapore

Transfer Agent(s):

Manufacturers Hanover Trust Co
New York, New York 10001

Stock Exchange(s): American

Ticker Symbol: HUB A & HUB B

Number of Employees:

1990	5,546	1987	5,211
1989	5,320	1986	5,603
1988	5,159		

Plant Footage:

1990	3,169,400 sq. ft.	1988	3,169,400
1989	3,169,400		

Sales & Earnings

	Net Sales ‡	Net Income
1990	$ 719,509,000	$ 86,022,000
1989	668,765,000	79,364,000
1988	614,237,000	71,288,000
1987	581,087,000	62,529,000
1986	558,810,000	54,468,000

	No. of Comm. Shares ≠	Earn. per Share ≠
1990	29,918,000	$ 2.88
1989	29,979,000	2.65
1988	30,224,000	2.36
1987	30,676,000	2.04
1986	30,719,000	1.77

‡ Of continuing operations.
≠ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues by Line of Business

	1990	1989
Low voltage	$ 382,434,000	$ 343,773,000
High voltage	118,676,000	117,639,000
Other	218,399,000	207,353,000
Total	$ 719,509,000	$ 668,765,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 1.38	5%	—
1989	1.18	5%	—
1988	0.94	5%	—
1987	0.84	—	—
1986	0.70	—	—

‡ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 468,733,000	$ 15.87
1989	427,818,000	14.49
1988	392,530,000	13.19
1987	354,443,000	11.94
1986	324,376,000	10.96

† Adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 719,509	$ 668,765
Cost of sales	487,449	450,381
Expenses	120,924	113,411
Interest income	(14,485)	(15,179)
Interest expense	694	739
Other expense	272	2,699
Income before taxes	$ 124,655	$ 116,714
Income taxes	38,633	37,350
Net Income	$ 86,022	$ 79,364

* Included in Costs and Expenses, Depreciation and Amortization: $17,728,000 in 1990 and $16,570,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash & temp. invest.	$ 103,269	$ 101,144
Accts. receiv., net	91,869	83,838
*Inventories	141,293	127,966
Prepaid expenses & other assets	17,725	28,090
Current Assets	$ 354,156	$ 341,038
≠Fixed assets	131,799	107,962
Other assets	138,751	127,286
Total Assets	$ 624,706	$ 576,286

Liabilities
(000's)

	1990	1989
Accts. payable	$ 19,614	$ 22,397
Accrued salaries	12,103	11,621
Accrued income taxes	26,095	26,216
Accrued other taxes	4,770	4,841
Dividends payable	10,408	9,106
Other accrued liab.	32,117	27,297
Curr. Liabilities	$ 105,107	$ 101,478
Long-term debt	8,100	8,100
Deferred income taxes	28,178	26,917
Other liabilities	14,588	11,973
+Common stock		
Class A	58	30,037
Class B	237	110,561
Add. paid-in capital	270,057	72,847
Retained earnings	201,460	216,718
Unreal. loss on invest.	(2,477)	—
Cum. trans. adj.	(602)	(2,345)
Total Liabilities & Shareholders' Equity	$ 624,706	$ 576,286

* At lower of cost or market. Domestic inventories at LIFO, foreign and certain domestic inventories at FIFO
≠ Less accumulated depreciation & amortization
+ $0.01 par value in 1990, $5 par in 1989

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	17.33	17.45
% Net Income to Sales	11.96	11.87
% Net Income to Equity	18.35	18.55
Sales to Inventories	5.09	5.23
Debt to Equity	0.02	0.02
Working Capital	$ 249,049,000	$ 239,560,000
Current Ratio	3.37	3.36
Shareholders' Equity	$ 468,733,000	$ 427,818,000

Hughes Supply, Inc.

20 North Orange Avenue
Orlando, Florida 32802
(407) 841-4755
FAX: (407) 648-4609

Officers: David H. Hughes, chairman of the board, president & chief exec. officer; Robert N. Blackford, secretary; A. S. Hall, Jr., exec. v.p.; Jasper L. Holland, Jr., v.p.; Russell V. Hughes, v.p.; Vincent S. Hughes, v.p.-electric utilities sales; Kenneth H. Stephens, v.p.-operations; J. Stephen Zepf, treasurer & chief financial officer; Jacquel K. Clark, asst. secretary & asst. treasurer.

Directors: David H. Hughes, chairman; Vincent S. Hughes, Russell V. Hughes, Herman B. McManaway, Robert N. Blackford, Clifford M. Hames, John B. Ellis.

Areas of Work: Wholesale distributor of a broad range of materials, equipment and supplies for use in the construction and mechanical trades. The major product lines distributed by the Company consist of electrical, plumbing, and electric utility equipment, contractor supplies, water and sewer products, heating and air conditioning equipment, mechanical pipe, valves and fittings and mobile home supplies.

Through its Southern Manufacturing Company division, the Company manufactures traffic control boxes, power assemblies, other prewired control apparatuses, and custom metal fabrication.

Divisions and Subsidiaries:

Pump & Lighting Company
300 East 9th Street
P.O. Box 34305
Charlotte, North Carolina 28234
(704) 377-1583

USCO Incorporated
115 Henderson Street
P.O. Box 1160
Monroe, North Carolina 28110
(704) 289-5406

A distributor of plumbing supplies, pumps and water systems with 12 sales outlets in the Carolinas.

Paine Supply Companies
220 One Stop Place
Pearl, Mississippi 39208
(601) 932-5556

A distributor of plumbing and refrigeration supplies with 14 sales outlets in Mississippi and Alabama.

Mills & Lupton Supply Company
749 East 12th Street
P.O. Box 1639
Chattanooga, Tennessee 37401
(615) 266-6171

One Stop Supply, Inc.
414 McNally Drive
P.O. Box 110031
Nashville, Tennessee 37211
(615) 834-0370

Transfer Agent(s):

American Stock Transfer & Trust Company
40 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: HUG

Sales & Earnings

	Net Sales	Net Income
1990	$ 548,475,000	$ 2,141,000
1989	529,926,000	6,394,000
1988	501,852,000	9,718,000
1987	432,366,000	9,223,000
1986	347,834,000	6,822,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	4,356,000	$ 0.49
1989	4,806,000	1.33
1988	4,887,000	1.99
1987	5,001,000	1.84
1986	4,872,000	1.40

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Electrical fix. & supplies	$ 150,360	$ 152,462
Plumbing, fix. & supplies	153,165	152,434
Building materials	37,245	43,413
Electrical utility supplies	48,254	48,429
Air conditioning & heating	63,801	68,002
Water & sewer supplies	68,788	47,354
Pipe, valves & fittings	31,182	22,012
Cash discounts	4,320	4,180
Total	$ 548,475	$ 529,926

Common Stock

	Cash Dividend *	Stock Dividend	Stock Split
1990	$ 0.36	—	—
1989	0.35	—	—
1988	0.31	—	3-for-2
1987	0.27	—	—
1986	0.25	—	—

* Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 86,549,000	$ 20.72
1989	92,687,000	19.89
1988	91,331,000	18.89
1987	83,802,000	17.23
1986	77,284,000	15.60

‡ Adjusted to reflect stock split.

Income Account

Year ended	1/25/91	1/26/90
Net sales	$ 548,475,000	$ 529,926,000
Cost of sales	439,814,000	421,088,000
Expenses	89,283,000	81,947,000
Depreciation & amortization	9,187,000	9,100,000
Prov. for doubt. accts.	2,591,000	2,601,000
Interest expense	7,963,000	7,300,000
Interest income	(1,554,000)	(1,409,000)
Gain on sale of mfg. oper.	(937,000)	—
Other income	(1,496,000)	(1,272,000)
Income before taxes	$ 3,624,000	$ 10,571,000
Income taxes	1,483,000	4,177,000
Net Income	$ 2,141,000	$ 6,394,000

Assets

As of	1/25/91	1/26/90
Cash & cash equiv.	$ 3,181,000	$ 2,098,000
Accts. receiv., net	63,158,000	72,711,000
*Inventories	87,935,000	92,268,000
Deferred inc. taxes	3,357,000	2,538,000
Other curr. assets	6,578,000	6,883,000
Current Assets	$ 164,209,000	$ 176,498,000
≠Fixed assets	49,140,000	55,170,000
Other assets	6,776,000	4,615,000
Total Assets	$ 220,125,000	$ 236,283,000

Liabilities

Long-term debt, curr.	$ 2,302,000	$ 5,556,000
Accts. payable	35,582,000	42,880,000
Accrued payroll	3,604,000	4,920,000
Other accruals	4,596,000	5,105,000
Curr. Liabilities	$ 46,084,000	$ 58,461,000
Long-term debt	79,781,000	76,255,000
Oblig. under cap. leases	5,845,000	6,583,000
Deferred inc. taxes	1,059,000	1,635,000
Other liabilities	807,000	662,000
+Common stock	5,079,000	5,079,000
Add. paid-in capital	22,740,000	22,729,000
Retained earnings	72,712,000	72,131,000
Treasury stock	(13,982,000)	(7,252,000)
Total Liabilities & Shareholders' Equity	$ 220,125,000	$ 236,283,000

* At lower of cost (moving average or FIFO) or market.
≠ Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	0.66	1.99
% Net Income to Sales	0.39	1.21
% Net Income to Equity	2.47	6.90
Sales to Inventories	6.24	5.74
Debt to Equity	1.02	0.95
Working Capital	$ 118,125,000	$ 118,037,000
Current Ratio	3.56	3.02
Shareholders' Equity	$ 86,549,000	$ 92,687,000

Humphrey, Inc.

9212 Balboa Avenue
San Diego, California 92123
(619) 565-6631
FAX: (619) 565-6873

Officers: P. E. Humphrey, president; R. T. Rutherford, sr. v.p.; H.H. Kries, v.p.; E. L. Dye, v.p.; C. R. Bonnell, v.p.; J. L. Alviar, treasurer; D. J. Streed, secretary.

Directors: P. E. Humphrey, chairman; Romilly T. Rutherford, John R. Sorbo, Roger A. Humphrey, William S. Ivans.

Areas of Work: Develops, manufactures and sells electro-fluidic and electro-optical instruments for industry and defense. Products include vertical and directional gyroscopes, angular rate sensors, accelerometer switches, free gyros, rate gyros, artificial horizon gyros and repeaters accelographs, potentiometers, rate switches, stabilized platforms, flexure pivots, inertial reference systems, electric hand dryers, blowers, oceanographic components, automotive dynamic-test packages, and pendulums.

Transfer Agent(s):

California First Bank
Corporate Trust Department
P.O. Box 2529
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HUPH (NASDAQ)

Number of Employees:

1990	320	1987	220
1989	275	1986	207
1988	256		

Plant Footage:

1990	43,516 sq. ft.	1987	34,394
1989	40,000	1986	36,950
1988	35,164		

Sales & Earnings

	Net Sales	Net Income #
1990	$ 17,779,534	$ 171,510
1989	18,411,610	313,346
1988	11,158,245	226,113
1987	11,022,273	(606,906)
1986	12,501,219	327,774

	No. of Com. Shares	Earn. per Share #‡
1990	1,000,000	$ 0.17
1989	1,000,000	0.31
1988	1,000,000	0.23
1987	1,000,000	—
1986	1,000,000	0.33

(Loss)
#Including extraordinary gains of $30,300 ($0.03 per share) in 1989 and $75,500 ($0.08 per share) In 1988.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Guidance & control components	$ 16,175,237	$ 16,839,862
Directional survey equip	966,626	970,402
Repairs & spare parts	618,318	582,813
Other income	19,353	18,533
Total	$ 17,779,534	$ 18,411,610

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 3,870,518	$ 3.87
1989	3,699,008	3.70
1988	3,385,662	3.39
1987	3,159,549	3.16
1986	3,766,455	3.77

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 17,779,534	$ 18,411,610
Cost of sales	14,156,734	14,689,578
Expenses	2,835,244	2,819,068
Discounts & int. on accts. receiv. sold	76,039	114,958
Interest expense	398,907	307,260
Inc. bef. taxes	$ 312,610	$ 480,746
Income taxes	141,100	197,700
Net Income	$ 171,510	$ 283,046
Extraord. gain	—	30,300
Net Income & extraord. gain	$ 171,510	$ 313,346

* Included in Costs and Expenses, Depreciation and Amortization: $258,927 in 1990 and $212,446 in 1989.

Assets

As of Dec. 31	1990	1989
Cash	$ 136,019	$ 194,837
Receiv., net	1,498,344	2,122,438
*Inventories	7,267,031	5,341,790
Prepaid expenses	34,017	36,230
Def. income tax benefit	124,200	58,500
Current Assets	$ 9,059,611	$ 7,753,795
#Fixed assets	1,063,165	955,144
Mortg. financing fees	26,125	—
Marketable securities	2,526	2,526
Deposits	727	722
Notes receivable	10,000	10,000
Cash value of life ins.	22,011	20,549
Total Assets	$ 10,184,165	$ 8,742,736

Liabilities

Notes payable	$ 2,645,222	$ 2,210,585
Long-term debt, curr.	37,287	90,502
Accts. payable	1,159,948	732,452
Customer deposits	—	862,826
Accruals	925,668	670,667
Income taxes	34,350	226,417
Curr. Liabilities	$ 4,802,475	$ 4,793,449
Long-term debt	1,511,172	250,279
+ Common stock	1,594,667	1,594,667
Add. paid-in capital	1,000	1,000
Retained earnings	2,274,851	2,103,341
Total Liabilities & Shareholders' Equity	$ 10,184,165	$ 8,742,736

* At lower of cost (average or FIFO) or net realizable market.
#Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	1.76	2.61
% Net Income to Sales	0.96	1.54
% Net Income to Equity	4.43	7.65
Sales to Inventories	2.45	3.45
Debt to Equity	1.08	0.69
Working Capital	$ 4,257,136	$ 2,960,346
Current Ratio	1.89	1.62
Shareholders' Equity	$ 3,870,518	$ 3,699,008

ICOT Corporation

3801 Zanker Road
P.O. Box 5143
San Jose, California 95150-5143
(408) 433-3300
FAX: (408) 433-3300

Officers: Arnold N. Silverman, chairman of the board & president; Joel M. Becker, president & chief executive officer; Bruce A. Kelley, sr. v.p.; Kenn T. Dahl, v.p.marketing; Aamer Latif, v.p.-advanced development; John E. Arnold, v.p. finance & chief financial officer; Ann B. Doherty, corp. secretary.

Directors: William D. Witter, Neill H. Brownstein, Donald L. Lucas, Arnold N. Silverman, Joel M. Becker.

Areas of Work: The Company designs, manufactures and markets a line of PC-Connectivity products consisting primarily of local area network (LAN) gateways and PC-to-mainframe communication adapters for IBM PC's and compatibles.

Divisions and Subsidiaries:

ICOT International, Ltd.
2 Ashville Way
Wokingham, Berkshire RG11 2PL United Kingdom

ICOT Network Systems Division
One Apple Hill
P.O. Box 8179
Natick, Massachusetts 01760-8179
(617) 237-7722
Manufactures products that allow PC-to-mainframe networking.

ICOT Transaction Systems Division
3801 Zanker Road
P.O. Box 5143
San Jose, California 95150-5143
(408) 433-3300

Pathway Design, Inc.
Natick, Massachusetts
Manufactures products for the PC-Connectivity market.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ICOT (NASDAQ)

Number of Employees:

1990	97	1988	240
1989	N.A.		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income #
1990	$ 14,344,000	$ (698,000)
1989	23,397,000	(12,375,000)
1988	33,996,000	(6,432,000)
1987	49,740,000	6,233,000
1986	50,345,000	7,339,000

	No. of Com. Shares +	Earn. per Share # +
1990	12,725,000	$ —
1989	11,353,000	—
1988	10,848,000	—
1987	10,741,000	0.58
1986	10,556,000	0.69

(Loss)
#Including extraordinary credits of $2,494,000 ($0.23 per share) in 1987 and $2,363,000 ($0.22 per share) in 1986.
+ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 12,777,000	$ 1.00
1989	13,475,000	1.19
1988	25,850,000	2.38
1987	30,666,000	2.86
1986	21,475,000	2.03

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended	7/28/90	7/29/89
Net sales	$ 14,344,000	$ 23,397,000
Cost of sales	8,040,000	16,119,000
Expenses		
Research & develop.	2,616,000	4,025,000
Mktng., adm., & gen.	5,395,000	11,978,000
Interest income	(469,000)	(369,000)
Interest expense	25,000	91,000
Other expense (income)	(565,000)	3,955,000
Net Loss	$ (698,000)	$ (12,375,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,212,000 in 1990 and $2,833,000 in 1989.

Assets

As of July 30	7/28/90	7/29/89
Cash & cash equivs.	$ 4,625,000	$ 6,878,000
Accts. receiv., net	2,088,000	2,421,000
* Inventories	1,858,000	1,411,000
Other curr. assets	497,000	631,000
Current Assets	$ 9,068,000	$ 11,341,000
# Fixed assets	1,236,000	1,581,000
Investment in secur.	6,400,000	7,500,000
Other assets	908,000	1,313,000
Total Assets	$ 17,612,000	$ 21,735,000

Liabilities

Cap. lease oblig., curr.	$ 87,000	$ 55,000
Accts. payable	1,187,000	1,110,000
Accrued employee comp.	538,000	811,000
Deferred income	246,000	600,000
Restruc. reserve	976,000	2,706,000
Facilities reserve	425,000	—
Other accruals	527,000	1,612,000
Curr. Liabilities	$ 3,986,000	$ 6,894,000

Cap. lease oblig	244,000	66,000
Oblig. under rent commit	605,000	1,300,000
+Common stock	2,550,000	2,412,000
Add. paid-in capital	34,488,000	34,626,000
Retained earnings (deficit)	(24,261,000)	(23,563,000)
Total Liabilities & Shareholders' Equity	$ 17,612,000	$ 21,735,000

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

Sales to Inventories	7.72	16.58
Debt to Equity	0.07	0.11
Working Capital	$ 5,082,000	$ 4,447,000
Current Ratio	2.27	1.65
Shareholders' Equity	$ 12,777,000	$ 13,475,000

Illinois Tool Works Inc.

3600 West Lake Avenue
Glenview, Illinois 60025-5811
(708) 724-7500
FAX: (312) 399-0324

Officers: Harold Byron Smith, Jr., chairman of the exec. committee; John D. Nichols, chairman & chief exec. officer; W. James Farrell, exec. v.p.-specialty engineered products; F. Ronald Seager, exec. v.p.-consumer packaging products & systems; John G. Powers, Jr., exec. v.p.-industrial packaging systems; Robert Jenkins, exec. v.p.-construction prod.; Michael W. Gregg, v.p. & controller; Arthur M. Wright, v.p., gen. counsel & secretary; David Byron Smith, v.p. & treasurer; H. Richard Crowther, vice chairman; Thomas W. Buckman, v.p.-patents & technology; Michael Hudson, v.p.-public affairs; Stephen J. Kaye, v.p.-corporate communications; Donald L. Van Erden, v.p.-research & advanced development; John W. Karpan, v.p.-human resources.

Directors: John D. Nichols, Silas S. Cathcart, Edward Byron Smith, Harold Byron Smith, Jr., Ormand J. Wade, Edward F. Swift, George D. Kennedy, John W. Vessey, Richard M. Jones, Richard H. Leet, Phillip B. Rooney.

Areas of Work: Develops and manufactures a broad range of specialty products, principally industrial components; its two major product areas are Engineered Components, and Industrial Systems and Consumables. Engineered components include short-lead time plastic and metal components and small assemblies, metal fasteners and adhesives. Industrial systems and consumables include systems and related consumables for packaging, data entry, measuring, tools and specialty areas.

Divisions and Subsidiaries:

Paktron
Lynchburg, Virginia
Electronic components

Fastex
Des Plaines, Illinois 60016
Plastic and metal components

Buildex
Itasca, IL; Mineral Wells, Texas
Construction fasteners

ITW Deltar
Mokena, Frankfort, Illinois
Automotive components

Illitron
Chicago, Illinois 60645
Measuring systems and components

Shakeproof/Industrial Products
Elgin, IL; Russellville, KY; Mineral Wells, Texas
Industrial fasteners

Shakeproof/Specialty Products
Elgin, Illinois

Shakeproof/Automotive Products
Elgin, IL; Lancaster, WI; Russellville, Kentucky
Automotive fasteners

Irathane
Hibbing, Minnesota

Philadelphia Resins
Montgomeryville, Pennsylvania

Meritex (Penang) SND. BHD.
Penang, Malaysia
Thermoplastic profile extrusions

Hi-Cone
Charleston, IL; Fullerton, CA; Zebulon, NC; Itasca, Illinois
Multi-packaging

Spiroid
2601 North Keeler Avenue
Chicago, Illinois 60639
Special gearing

ITW Better Formed Metals
Plastic and metal components

ITW Linac
Cable handling systems

ITW QCS Tool Systems
Tool Systems

ITW Heartland Components

ITW Illinois Tools
ITW Southern Gage
Specialty systems and components

Automotive Controls
Elmhurst, Illinois

Chronomatic
Chicago, Illinois

ITW Switches
Chicago, IL; Hollywood, FL; Irvington, New Jersey

ITW Linx
Elk Grove Village, Illinois
Voltage protection equipment

ITW Nexus
Wood Dale, Illinois

Plastiglide
Hawthorne, CA; Waterbury, Connecticut

ITW Woodworth
Ferndale, Michigan
Manufacture of work-holding devices and fixed limit gauges

Thielex
Piscataway, New Jersey

ITW Fasteners Europe
Construction fasteners and systems and automotive and industrial fasteners
ITW Buildex/Europe
ITW Shakeproof/Europe

Devcon Corporation
Wood Dale, Illinois
Automotive repair adhesives

ITW Limited
Reading, England

ITW Ateco G.m.b.H.
Hamburg, Letmathe, Weiden, Germany

ITW de France S.A.
Paris, France

ITW Fastex Italia, S.p.A.
Turin, Italy

W. A. Deutsher Pty. Ltd.
South Oakleigh, Australia

ITW Espana S.A.
Barcelona, Spain

ITW Hi-Cone Ltd.
Mallow, Ireland

Magnaflux Corporation
Chicago, Illinois
Manufactures quality control products

Rust-Lick, Inc.
Danbury, Connecticut
Manufactures rust preventatives

Signode Industries Inc.
3650 West Lake Avenue
Glenview, Illinois 60025
(312) 273-5180
Consumable products and systems including plastic and steel strapping, stretch film, industrial tape and protective paper packaging together with the machines and systems to apply these products.

Norwood Marking & Equipment Company
Downers Grove, Illinois
Produces hot stamp marking equipment used for the coding and marking--bar codes, batch dates, day codes, and product names--of consumer and industrial packaging products.

Multipak de Venezuela C.A. (48% owned)
Caracas & Valencia, Venezuela

Waterbury Buckle Company
Manufactures metal buckles

Fixlock A.B.
Sweden
Manufactures specialty fastening products

B & L Plastics Co.
Manufactures injected-molded components

Ransburg Corporation
Manufactures capital equipment primarily for the automation of industrial processes.

DeVilbiss Industrial/Commercial Division
Manufactures and sells liquid coating systems.

Volstatic, Inc.
A powder coating system manufacturer.

Akron Standard
A manufacturer of tire uniformity machines, designed to test and correct defects in tires at production line rates.

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60603

Stock Exchange(s): New York, Midwest

Ticker Symbol: ITW

Number of Employees:

1990	18,400	1987	13,600
1989	15,700	1986	13,700
1988	14,200		

Sales & Earnings

	Oper. Revenues +	Net Income
1990	$ 2,544,153,000	$ 182,383,000
1989	2,172,747,000	163,822,000
1988	1,929,805,000	140,012,000
1987	1,698,353,000	106,184,000
1986	961,077,000	79,583,000

	No. of Com. Shares †	Earn. per Shares ≠
1990	54,805,000	$ 3.35
1989	53,666,000	3.06
1988	52,794,000	2.66
1987	51,780,000	2.06
1986	51,254,000	1.56

+ Includes net sales, equipment rentals and royalties.
† Adjusted to reflect stock split.
≠ Based on the average number of shares outstanding adjusted to reflect stock split.

Illinois Tool Works Inc.

Revenues by Line of Business

	1990	1989
Engineered components	$ 1,142,998,000	$ 1,006,212,000
Indust. syst. & consumables	1,401,975,000	1,170,296,000
Eliminations	(820,000)	(3,761,000)
Total	$ 2,544,153,000	$ 2,172,747,000

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1990	$ 0.66	—	—
1989	0.54	—	—
1988	0.44	—	—
1987	0.39	—	2-for-1
1986	0.36	—	—

Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 1,091,842,000	$ 19.92
1989	871,124,000	16.23
1988	744,727,000	14.11
1987	608,541,000	11.75
1986	476,550,000	9.30

Adjusted to reflect stock split

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Operating revenues	$ 2,544,153	$ 2,172,747
Operating costs	1,689,163	1,451,715
Expenses	510,276	417,874
Interest expense	39,190	30,995
Other expense	5,641	3,141
Income before taxes	$ 299,883	$ 269,022
Income taxes	117,500	105,200
Net Income	$ 182,383	$ 163,822

* Included in Costs and Expenses, Depreciation and Amortization: $102,094,000 in 1990 and $84,719,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 46,772	$ 30,882
Accts. receiv., net	474,116	380,233
*Inventories	468,001	365,194
Prepaid inc. taxes	33,232	23,349
Prepaid expenses	121,376	24,582
Current Assets	$ 1,143,497	$ 824,240
Invest. in leveraged leases	66,296	73,443
#Fixed assets	483,549	413,578
Goodwill	294,886	289,012
Other assets	162,079	87,712
Total Assets	$ 2,150,307	$ 1,687,985

Liabilities
(000's)

Short-term debt	$ 65,320	$ 36,100
Accts. payable	157,489	122,786
Dividends payable	9,865	8,050
Accruals	238,119	177,789
Income taxes	57,649	39,109
Curr. Liabilities	$ 528,442	$ 383,834
Long-term debt	430,632	334,407
Deferred inc. taxes	62,830	72,720
Other liabilities	36,561	25,900
+ Common stock	129,876	93,096
Retained earnings	918,589	771,782
Treasury stock	(2,034)	(1,316)
For. curr. trans. adjust.	45,411	7,562
Total Liabilities & Shareholders' Equity	$ 2,150,307	$ 1,687,985

* At lower of cost or market. Domestic inventories at LIFO; all others at FIFO.
# Less accumulated depreciation
+ No par value

Statistical Summary

% Income bef. Taxes to Revenues	11.79	12.38
% Net Income to Revenues	7.17	7.54
% Net Income to Equity	16.70	18.81
Debt to Equity	0.45	0.43
Working Capital	$ 615,055,000	$ 440,406,000
Current Ratio	2.16	2.15
Shareholders' Equity	$ 1,091,842,000	$ 871,124,000

Imo Industries Inc.

(formerly Imo Delaval Inc.)

3450 Princeton Pike
P.O. Box 6550
Lawrenceville, New Jersey 08648
(609) 896-7600
FAX: (609) 896-7688

Officers: William J. Holcombe, chairman of the board & chief executive officer; Robert R. Womack, president & chief operating officer; Stephen F. Agocs, exec. v.p., general counsel & secretary; Leffert G. Carroll, exec. v.p. & chief financial officer; John J. Carr, exec. v.p.-instruments and controls; Brian Lewis, exec. v.p.-mechanical controls; Douglas W. Peacock, exec. v.p.-power systems; Geoffrey M. Dobson, v.p. & treasurer; Robert A. Derr, II, v.p. & controller; J. Dwayne Attaway, exec. v.p.-electro-optical systems.

Directors: William J. Holcombe, chairman; Stephen F. Agocs, James B. Edwards, J. Spencer Gould, Richard J. Grosh, Carter P. Thacher, Arthur E. Van Leuven, Robert R. Womack.

Areas of Work: The Company's Instruments and Controls Business segment designs and produces transducers, switches and valves for sensing, measuring and controlling pressure, temperature, vibration, and liquid level and flow, spectrometers, optical systems, motor drives, cable and control systems, flexible couplings, fasteners, and night vision systems. The Power Systems Business segment produces turbines, compressors, condensers, bearings, a broad range of pumps, gears and a unique line of three-screw rotary pumps.

Operating Units:

INSTRUMENTS AND CONTROLS BUSINESS

Instruments

Baird Analytical Instruments
Bedford, Massachusetts
Bejing, China
Zoeterwoude, The Netherlands

Miller-Holzwarth, Inc.
Bedford, Massachusetts
Salem, Ohio
Garland, Texas

Barksdale Controls
Los Angeles, California

CEC Instruments
San Dimas, California

Fincor Electronics
York, Pennsylvania

Gems Sensors
Plainville, Connecticut

Transinstruments
Basingstoke, U.K.
Reichelsheim, West Germany
Wetzikon, Switzerland

Mechanical Controls

Adel Fasteners
Huntington, West Virginia

Controlex
Croton Falls, New York

Morse Controls - Europe
Basildon, U.K.

Morse Controls-U.S.
Hudson, Ohio
Sydney, Australia
Singapore
Yokohama, Japan
Stockholm, Sweden

Wiggins Connectors
Los Angeles, California

Roltra Morse
Turin, Italy

POWER SYSTEMS BUSINESS

Power Transmission

Aeroproducts
Cleveland, Ohio

Boston Gear
Quincy, Massachusetts
Louisburg & Charlotte, North Carolina; Florence, Kentucky; Singapore

Delroyd Worm Gear
Trenton, New Jersey

Heim Bearings
Fairfield, Connecticut

Imo Pump-Europe
Stockholm, Sweden

Imo Pump-U.S.
Monroe, North Carolina
Columbia, Kentucky

Warren Pumps
Warren, Massachusetts

POWER PRODUCTS AND SERVICES

Airfoil
Manchester, Connecticut

Centrimarc
Houston, Texas

Contura
Marysville, Washington

Delaval Condenser
Florence, New Jersey

Delaval Turbine
Trenton, New Jersey

Deltex Service
Houston, Texas
Trenton, New Jersey

Turboflex
High Wycombe, England

Delaval Stork
Hengelo, The Netherlands

EPN Sistemas
Mexico City, Mexico

Quabbin
Chicopee, Massachusetts

Varo, Inc
2203 West Walnut Street
P.O. Box 461426
Garland, Texas 75046-1426
(214) 487-4100

Manufactures high-technology products, principally night vision equipment and image intensification tubes, weapons delivery systems, and power conversion products.

Transfer Agent(s):

American Transtech
P.O. Box 44037
Jacksonville, Florida 32232-4037

Stock Exchange(s): New York

Ticker Symbol: IMD

Number of Employees:

1990	8,400	1988	7,700
1989	8,300	1987	6,500

Plant Footage:

1990	5,149,000 sq. ft.	1988	4,851,000
1989	5,149,000	1987	3,617,000

Sales & Earnings

	Net Sales +	Net Income
1990	$ 1,018,078,000	$ 21,172,000
1989	851,391,000	33,942,000
1988	687,215,000	28,275,000
1987	368,463,000	20,120,000
1986	358,414,000	(10,986,000)

	No. of Com Shares ‡	Earn. per Share ‡
1990	17,701,456	$ 1.20
1989	18,055,520	1.88
1988	15,912,272	1.78
1987	14,207,216	1.42
1986	14,508,810	—

(Loss)
+ Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

	1990	1989
Instruments & controls	$ 619,942	$ 524,989
Power systems	398,136	326,402
Total	$ 1,018,078	$ 851,391

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.485	—	—
1989	0.410	—	—
1988	0.310	—	2-for-1
1987	0.280	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 333,527,000	$ 18.84
1989	332,532,000	18.42
1988	294,926,000	18.53
1987	208,186,000	14.65
1986	197,579,000	13.62

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,018,078	$ 851,391
Cost of sales	748,802	603,306
Expenses:		
Sell., adm., & gen.	166,505	144,167
Res. & develop.	14,973	13,528
Nonrecurring inc.	—	(1,496)
Interest expense	57,510	43,078
Interest income	(3,966)	(2,722)
Other income	(905)	(743)
Eq. in inc. of unconsol. cos.	(6,918)	(4,865)
Income before taxes	$ 42,077	$ 57,138
Income taxes	15,148	20,495
Minority interest	5,757	2,701
Net Income	$ 21,172	$ 33,942

* Included in Costs and Expenses, Depreciation and Amortization: $37,179,000 in 1990 and $30,920,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 8,219	$ 64,818
Accts. receiv., net	209,265	215,270
*Inventories	274,305	212,416
Refundable taxes	2,104	4,730
Prepaid expenses	9,441	10,729
Current Assets	$ 503,334	$ 507,963
# Fixed assets	329,712	269,277
Intangibles	218,361	199,963
Invest. in unconsol. cos.	12,786	10,121
Other assets	28,515	31,367
Total Assets	$ 1,092,708	$ 1,018,691

Liabilities
(000's)

	1990	1989
Notes payable	$ 55,443	$ 18,670
Long-term debt, curr.	11,636	5,622
Accts. payable	95,080	91,367
Accruals	101,086	84,720
Inc. taxes payable	343	5,069
Curr. Liabilities	$ 263,588	$ 205,448
Long-term debt	423,041	421,799
Deferred inc. taxes	31,542	26,850
Other liabilities	32,008	23,158
Minority interest	9,002	8,904
+Common stock	18,493	18,406
Add. paid-in capital	77,712	77,010
Retained earnings	246,251	233,624
For. curr. trans. adjust.	10,041	4,987
Treasury stock	(18,970)	(1,495)
Total Liabilities & Shareholders' Equity	$ 1,092,708	$ 1,018,691

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	4.13	6.71
% Net Income to Sales	2.08	3.99
% Net Income to Equity	6.35	10.21
Sales to Inventories	3.71	4.01
Debt to Equity	1.47	1.34
Working Capital	$ 239,746,000	$ 302,515,000
Current Ratio	1.91	2.47
Shareholders' Equity	$ 333,527,000	$ 332,532,000

Industrial Acoustics Company

1160 Commerce Avenue
Bronx, New York 10462
(212) 931-8000
FAX (212) 863-1138

Officers: Martin Hirschorn, president; Frederic M. Oran, exec. v.p.; Arnold W. Kanarek, sr. v.p.; John M. Handley, sr. v.p.-market development; Ellis Singer, v.p.-medical/life sciences; Morton I. Schiff, v.p.-special products; Robert E. Schmitt, v.p.-industrial products; Robert N. Bertrand, v.p.-finance; Robert A. Schmidt, v.p.-air conditioning; Seymour Wasserman, v.p.-engineering services; August J. Sauter, Jr., v.p.-western region; David A. Collings, v.p.-research & development; Peter Kohner, v.p.-manufacturing; Jasjit T. Ahluvalia, v.p.-management information systems; Robert J. Buelow, v.p.-architectural; Harry Davies, v.p., manufacturing -Industrial Acoustics Company S.C. Inc.; Patrick J. Waters, v.p.-purchasing; Albert J. Cirulli, v.p.-design services; Sudhaker Risbud, asst. v.p.-industrial engineering services; Raymond E. Svana, asst. v.p.-personnel; Stanley Gurian, asst. secretary & asst. treasurer; Neville N. Rosemin, Controller.

Directors: Martin Hirschorn, Frederic M. Oran, George J. Sotos, Arnold W. Kanarek, Henry E. Allen, Jorgen Svendsen.

Areas of Work: Develops, manufactures and markets noise control products. These products include 'packless' and energy-saving silencers, accoustically and fire-rated movable walls, doors and panels, studios for TV, radio and recording, modular medical rooms, shipboard and printing plant noise control systems, quiet air handling units, test facilities for jet engines and aircraft, and clog-resistant silencers for coal-burning plants.

Subsidiaries:

Intra-Acoustics Company, Ltd.
IAC Realty Corporation
Industrial Acoustics Company S.C., Inc.
IAC Development Corporation
Industrial Acoustics Company, GmbH
Industrial Acoustics Company, Ltd.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IACI (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1990	$ 91,270,000	$ 3,446,000
1989	94,648,000	3,315,000
1988	87,808,000	3,389,000
1987	75,271,000	2,892,000
1986	58,471,000	1,417,000

	No. of Com Shares ‡	Earn. per Share ‡
1990	2,899,000	$ 1.19
1989	2,899,000	1.14
1988	2,898,000	1.17
1987	2,898,000	1.00
1986	2,898,000	0.49

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.25	—	—
1989	0.25	—	—
1988	0.25	—	—
1987	0.25	—	—
1986	0.25	—	—

Industrial Acoustics Company

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 35,221,000	$ 12.15
1989	31,833,311	10.98
1988	29,974,430	10.34
1987	27,469,986	9.48
1986	24,298,846	8.38

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 91,269,646	$ 94,647,851
Interest income	1,695,040	1,928,314
Other income	897,960	694,631
Total income	$ 93,862,646	$ 97,270,796
Cost of sales	73,123,743	78,071,345
Expenses	14,383,290	13,120,388
Interest expense	388,253	322,409
Other expense	839,869	714,366
Income before taxes	$ 5,127,491	$ 5,042,288
Income taxes	1,681,337	1,727,721
Net Income	$ 3,446,154	$ 3,314,567

* Included in Costs and Expenses, Depreciation and Amortization: $1,763,668 in 1990 and $1,584,936 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 10,916,144	$ 7,093,850
Short-term invest.	1,336,990	1,520,246
Accts. receiv., net	28,284,632	29,485,978
Costs in exc. of billings on contracts	2,656,033	2,293,708
*Inventories	5,206,517	6,576,050
Prepaid expenses	1,417,650	2,110,759
Current Assets	$ 49,817,966	$ 49,080,591
Investments	7,860,031	7,680,360
#Fixed assets	9,203,797	9,512,808
Defer. charges	145,065	994,577
Total Assets	$ 67,026,859	$ 67,268,336

Liabilities

	1990	1989
Long-term debt & cap lease oblig., curr	$ 607,811	$ 663,740
Accts. payable & accruals	20,711,988	23,455,482
Income taxes	441,169	1,328,401
Def. inc. taxes	408,694	711,587
Cust. deposits	1,795,650	3,299,098
Billings on uncomp. contracts in exc. of costs	3,391,228	1,348,288
Curr. Liabilities	$ 27,356,540	$ 30,806,5966
Cap. lease oblig.	1,249,965	1,353,088
Long-term debt	1,381,146	1,659,419
Deferred credits	1,817,937	1,615,922
+ Common stock	289,894	289,894
Add. paid-in capital	1,673,020	1,673,020
For. curr. trans. adjust	902,336	(39,683)
Eq. adjust. for pensions	(430,451)	(154,972)
Retained earnings	32,786,472	30,065,052
Total Liabilities & Shareholders' Equity	$ 67,026,859	$ 67,268,336

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	5.62	5.33
% Net Income to Sales	3.78	3.50
% Net Income to Equity	9.78	10.41
Sales to Inventories	17.53	14.39
Debt to Equity	0.09	0.12
Working Capital	$ 22,461,426	$ 18,273,995
Current Ratio	1.82	1.59
Shareholders' Equity	$ 35,221,271	$ 31,833,311

Information International, Inc.

5933 Slauson Ave.
Culver City, California 90233
(213) 390-8611
FAX: (213) 391-7724

Officers: Alfred L. Fenaughty, president & chief exec. officer; Joseph M. Walsh, chairman; Robert W. Waller, v.p.-engineering; John B. Hansen, v.p.-programming; Terry N. Taugner, v.p.-finance & treasurer; Stephen J. A'Hearn, v.p.-sales; Leroy M. Bell, v.p.-customer support; Donald G. Gerlich, v.p.-planning.

Directors: Joseph M. Walsh, chairman; Alfred L. Fenaughty, Robert W. Waller, Laurence S. Fordham, Joseph F. Engelberger, Oliver G. Selfridge, John McCarthy, Ronald Paolucci, Thomas J. Farrell.

Areas of Work: Manufactures, designs & support of electronic, laser and data communications equipment for the prepress operations of newspaper, magazine and directory publishers in the United States & overseas.

Subsidiaries:

Information International GRAFIX, Ltd.
64 High Street
Egham, Surrey TW20 9EY England

KBK, Inc.
Seventh Floor, New Otemachi Building
2-1, 2-Chome, Otemachi, Chiyoda, Ku
Tokyo, 100-9, Japan

Transfer Agents:

The Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IINT (NASDAQ)

Number of Employees:

1989	275	1986	378
1988	389	1985	388
1987	384		

Plant Footage:

1989	94,000 sq. ft.	1986	94,000
1988	94,000	1985	94,000
1987	94,000		

Sales & Earnings

	Revenue ‡	Net Income
1990	$ 38,288,419	$ 342,545
1989	36,209,099	1,356,184
1988	33,455,890	1,854,091
1987	34,153,881	2,468,391
1986	29,754,012	346,633

	No. of Com. Shares	Earn. per Share +
1990	2,308,386	$ 0.15
1988	2,275,736	0.60
1988	2,236,568	0.79
1987	2,437,408	1.03
1986	2,369,541	0.22

‡ Includes sales and equipment rentals; of continuing operations only.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 27,004,495	$ 11.70
1989	26,713,152	11.74
1988	25,427,162	11.37
1987	25,922,178	10.64
1986	23,210,326	9.80

Income Account *

Year ended Apr. 30	1990	1989
Net sales	$ 34,878,952	$ 30,994,916
Equip. rentals	3,409,467	5,214,183
Total revenues	$ 38,288,419	$ 36,209,099
Cost of revenues	19,816,095	19,722,220
Expenses	20,733,077	16,988,011
Interest income	(1,490,351)	(1,291,876)
Lawsuit settlement	1,250,000	1,250,000
Other expense (income)	(40,947)	18,125
Income before taxes	$ 520,545	$ 2,022,619
Income taxes	178,000	666,435
Net Income	$ 342,545	$ 1,356,184

* Included in Costs and Expenses, Depreciation and Amortization: $1,737,168 in 1990 and $1,278,995 in 1989.

Assets

As of Apr. 30	1990	1989
Cash	$ 277,358	$ 254,016
Short-term investments	9,500,826	7,665,551
Receiv., net	4,144,769	4,497,232
*Inventories	9,603,421	9,570,997
Prepaid expenses	163,354	162,962
Current Assets	$ 23,689,728	$ 22,150,758
Investments & notes receiv.	9,324,273	10,303,113
#Fixed assets	3,997,628	4,484,646
Total Assets	$ 37,011,629	$ 36,938,517

Liabilities

	1990	1989
Accts. payable	$ 1,666,630	$ 1,500,139
Customer advances	4,181,473	4,409,805
Deferred inc. taxes	1,045,132	876,530
Payroll & vacation pay	1,833,996	1,716,648
Employee benefits	300,000	690,000
Dividend declared	263,091	259,498
Other accruals	226,543	87,476
Curr. Liabilities	$ 9,516,865	$ 9,540,096
Def. inc. taxes	490,269	685,269
+Common stock	707,282	704,744
Add. paid-in capital	13,357,795	13,237,970
Retained earnings	18,702,375	18,867,752
Treasury stock	(5,765,328)	(6,103,453)
Cum. trans. adjust	2,371	6,139
Total Liabilities & Shareholders' Equity	$ 37,011,629	$ 36,938,517

* At lower cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.49	6.53
% Net Income to Sales	0.98	4.38
% Net Income to Equity	1.27	5.08
Sales to Inventories	3.63	3.24
Working Capital	$ 14,172,863	$ 12,610,662
Current Ratio	2.49	2.32
Shareholders' Equity	$ 27,004,495	$ 26,713,152

Insilco Corporation

(57% owned by INR Partners, a Texas general partnership)

300 North Marenfeld
Midland, Texas 79701
(915) 684-4411
FAX: (915) 688-7327

Officers: Joel L. Reed, president & chief executive officer; J. Randal Greaves, exec. v.p. & chief financial officer; A. J. Brune, v.p.; Walter G. Johnson, v.p.; Paul H. Luckett, v.p.; Randolph B. Marston, v.p.; Emelio A. Mattorano, v.p.-finance; Karen L. Wolf, v.p.-general counsel & secretary; Frank A. Bell, treasurer; Philip K. Woodlief, controller.

Directors: Jack E. Brown, Cyril Wagner, Jr., A. J. Brune, III, Walter G. Johnson, J. Randal Greaves, Wesley E. Pittman, Joel L. Reed, Randolph B. Marston, Preston Townley, Donald J. Harper.

Areas of Work: In the area of electronics/communications, the Company's Basic Industries Division produces precision parts manufactured to close tolerances, principally for use in mainframe computer drives. The Computer Circuitry Group provides specialized wire harnesses, coaxial and multiconductor cable, and wire and cable assemblies to the computer and telecommunications industries. Signal Transformer Co., Inc. designs, manufactures and sells a full range of power transformers for use in electronic applications. Stewart Stamping manufactures and distributes formed wire and small precision stamped parts for the electronics and telecommunications industries and is licensed by Western Electric Company to manufacture and distribute telephone and computer connectors. Dual-Lite is engaged in the business of manufacturing and selling electrical products to the construction industry, including battery-powered emergency lighting equipment and systems and plug-in flexible wiring products.

In the area of metal parts, the Company's Steel Parts Corporation manufactures automobile parts, including clutch plates, suspension, engine and transmission component parts for original equipment automobile manufacturers. Thermal Components, Inc. designs and manufactures heat exchange products, including thin-walled tubing and air conditioning condensers and evaporators for the transportation and industrial equipment industries. Romac Metals, Inc. manufactures stainless steel tubing which is sold to broadly diversified markets. Thermalex Corporation, a joint venture between Thermal Components, Inc. and Mitsubishi Aluminum Co., Ltd., produces high-precision aluminum extrusions, principally for use in heat exchange applications. Valentec International Corporation manufactures components such as metal cartridges, cartridge link belts, and expendable projectiles primarily for the defense industry. Dayron Corporation manufactures mechanical and electromechanical fuses used in the defense industry.

Other Company operations include the supplying of paint, wallpaper and wallcoverings, high-school and college yearbooks and specialty book publishing, office products, and lighting equipment.

Divisions and Subsidiaries:

Basic Industries Division
Computer Circuitry Group, Inc.
Signal Transformer Co., Inc.
Stewart Stamping Corporation
Steel Parts Corporation
Thermal Components, Inc.
Valentec International Corporation
Taylor Publishing Company
Rolodex Corporation

Dayron Corporation
Orlando, Florida
Manufactures fuzes for military applications.

Romac Metals, Inc.
Troutman, North Carolina
Manufactures stainless steel tubing for applications in the marine, health care and architectural accessories industries.

Dual-Lite Inc.
Newtown, Connecticut
Manufactures battery-powered emergency lighting equipment.

Curtis Manufacturing Company, Inc.
Jaffrey, New Hampshire
Engaged in the marketing of computer accessories.

DAC Software, Inc.
Dallas, Texas
Supplies accounting software and related services to small businesses.

Metro Files Inc.
Publishes a line of directories.

Number of Employees:

1989	7,300	1986	7,800
1988	7,500	1985	7,400
1987	7,400		

Plant Footage:

1989	2,492,000 sq. ft.	1987	2,370,000
1988	N.A.	1986	2,203,000

N.A.- Not Available

Sales & Earnings

	Net Sales †	Net Income
12/31/89x	$ 762,235,000	$ (43,373,000)
12/31/88x#	177,955,000	(29,187,000)
9/30/88*+	573,793,000	11,408,000
12/31/87*	638,206,000	(10,679,000)
12/31/86*	662,474,000	16,119,000

	No. of Com. Shares ‡	Earn. per Share ‡
12/31/89x	58,583,000	$ —
12/31/88x#	57,500,000	—
9/30/88*+	21,657,000	0.55
12/31/87*	21,203,000	—
12/31/86*	21,081,000	1.58

NOTE: In 1988, through a combination of a cash tender offer and a subsequent cash merger, INR Partners became the controling stockholder of Insilco Corporation. The Acquisition is accounted for as having taken place on October 1, 1988. As used herein, Predecessor means Insilco Corporation prior to that date, while Successor means Insilco Corporation on or after that date.
(Loss)
x Successor.
* Predecessor.
# 3 months.
+ 9 months.
† Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business
(000's)

	1989	1988
Electronics & communications	$ 187,910	$ 190,705
Metal parts	281,402	271,612
Paint products	108,335	104,732
Publishing & office products	169,165	155,854
Divested subsidiaries	15,423	28,845
Total	$ 762,235	$ 751,748

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
12/31/89x	$ —	—	—
12/31/88x	—	—	—
9/30/88*	0.50	—	—
12/31/87*	1.00	—	—
12/31/86*	0.95	5%	—

+ Adjusted to reflect stock dividend.
x Successor.
* Predecessor.

Common Stock Equity

	Total Equity	Equity Per Share †
12/31/89x	$ 44,487,000	$ 0.76
12/31/88x	85,813,000	1.49
9/30/88*	378,277,000	17.47
12/31/87*	300,264,000	14.16
12/31/86*	330,560,000	15.68

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.
x Successor.
* Predecessor.

Income Account
(000's)

Year ended Dec. 31	1989	1988 (3 months)
Net sales	$ 762,235	$ 177,955
Cost of sales	517,829	130,620
Expenses	140,859	36,513
Depreciation	21,473	5,140
Amort. of intangibles	17,128	4,000
Interest expense	122,317	43,830
Interest income	(2,048)	(1,721)
Other expense (income)	(1,681)	51
Loss before taxes	$ (53,642)	$ (40,478)
Tax credit	(10,269)	(11,291)
Net Loss	$ (43,373)	$ (29,187)

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 32,971	$ 7,548
Accts. receiv., net	84,179	92,063
Other receivables	7,263	10,860
Refundable taxes	10,329	6,271
*Inventories	99,104	110,357
Prepaid expenses	6,705	10,562
Invest. in LPI	—	23,251
Other curr. assets	—	12,946
Current Assets	$ 240,551	$ 273,858
#Fixed assets	167,517	193,218
Long-term housing assets	41,468	55,241
Other assets	67,034	68,863
Intangibles	588,868	567,644
Total Assets	$ 1,105,438	$ 1,158,824

Liabilities
(000's)

Long-term debt, curr.	$ 17,036	$ 31,095
Oblig. for purch. of stock & warrants of Predecessor	2,458	43,527
Acq. exp. payable	3,447	27,700
Accrued interest pay.	24,298	19,177
Accts. payable	45,283	43,593
Cust. deposits	20,543	17,478
Accrued payroll	20,400	28,190
Accruals	38,645	14,640
Curr. Liabilities	$ 172,110	$ 225,400

Insilco Corporation

Long-term debt	767,384	792,629
Other obligations	87,857	54,982
Warrants	33,600	—
+ Common stock	19,232	15,000
+ Class A stock	99,812	100,000
Retained earnings (deficit)	(72,560)	(29,187)
Notes receiv. from employees	(1,997)	—
Total Liabilities & Shareholders' Equity	$ 1,105,438	$ 1,158,824

* At lower of cost (FIFO & average) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

Sales to Inventories	7.69	1.61
Debt to Equity	17.63	9.60
Working Capital	$ 68,441,000	$ 48,458,000
Current Ratio	1.40	1.21
Shareholders' Equity	$ 44,487,000	$ 85,813,000

Instron Corporation

100 Royall Street
Canton, Massachusetts 02021
(617) 828-2500
FAX (617) 828-2112

Officers: Harold Hindman, chairman of the board; James M. McConnell, president & chief executive officer; Joseph E. Amaral, v.p.-corporate technical director; John A. Dotson, v.p.-operations; Ian M. MacGregor, v.p. & managing director of Instron Limited; Linton A. Moulding, v.p.-finance & treasurer; Paul R. Rugo, secretary & clerk; Beryl Maddows, asst. secretary & asst. clerk; John R. Barrett, asst. treasurer.

Directors: Harold Hindman, chairman; James M. McConnell, George S. Burr, Jr., Paul R. Rugo, Nicholas J. Grant, Robert Cushman, Richard W. Young, Charles H. Ehlers, John W. Lacey, Peter R. Strong.

Areas of Work: Develops, manufactures and distributes electromechanical servohydraulic, rheometic, and electromagnetic resonance instruments, systems and accessories for assessing the physical and mechanical characteristics of the full spectrum of the earth's materials. The Company's product line includes instruments and systems that are microprocessor or computer controlled.

Subsidiaries:

Instron Limited
Coronation Road
High Wycombe
Bucks HP12 3SY, England

Instron International, Ltd.
England

Instron Singapore Pte Limited
Singapore

Instron, S.A.
Buc, France

Instron Japan Company, Ltd.
Toyko, Japan

Instron Pty. Ltd.
Melbourne, Australia

Instron Canada, Ltd.
Burlington, Ontario, Canada

Equipamentos Cientificos Instron Ltda.
Sao Paulo, Brazil

Instron Asia Limited
Toyko, Japan

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): American

Ticker Symbol: ISN

Number of Employees:

1990	1,000	1987	1,086
1989	1,040	1986	1,037
1988	1,040		

Plant Footage:

1990	N.A.	1987	253,500
1989	260,500 sq. ft.	1986	253,500
1988	N.A.		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 121,276,000	$ 3,576,000
1989	111,398,000	3,245,000
1988	111,537,000	2,446,000
1987	95,749,000	3,336,000
1986	87,384,000	4,664,000

	No. of Com. Shares +	Earn. per Share #
1990	6,218,071	$ 0.58
1989	6,107,887	0.53
1988	6,064,992	0.40
1987	5,949,474	0.54
1986	6,019,574	0.75

+ Adjusted to reflect stock split.
Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.12	—	—
1989	0.12	—	—
1988	0.12	—	—
1987	0.12	—	—
1986	0.115	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 43,806,000	$ 7.04
1989	36,269,000	5.94
1988	35,361,000	5.83
1987	33,946,000	5.71
1986	28,213,000	4.69

+ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 121,276,000	$ 111,398,000
Cost of sales	70,474,000	65,589,000
Expenses	41,614,000	37,706,000
Special items charge	700,000	633,000
Oper. profit	$ 8,488,000	$ 7,470,000
Interest expense	3,064,000	3,109,000
Interest income	(230,000)	(288,000)
Foreign exchange	285,000	(692,000)
Income before taxes	$ 5,369,000	$ 5,341,000
Income taxes	1,793,000	2,096,000
Net Income	$ 3,576,000	$ 3,245,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,601,000 in 1990 and $3,200,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equivs.	$ 2,109,000	$ 1,128,000
Accts. receiv., net	37,628,000	33,718,000
*Inventories	25,314,000	24,565,000
Deferred inc. taxes	2,369,000	1,654,000
Prepaid expenses & other curr. assets	1,595,000	784,000
Current Assets	$ 69,015,000	$ 61,849,000
#Fixed assets	23,118,000	20,747,000
Other assets	5,527,000	2,323,000
Total Assets	$ 97,660,000	$ 84,919,000

Liabilities

Notes payable & cap. lease oblig., curr.	$ 8,555,000	$ 8,292,000
Accts. payable	7,321,000	7,034,000
Accrued empl. compensation	3,476,000	3,511,000
Accrued inc. taxes	2,238,000	1,347,000
Other accruals	8,220,000	6,136,000
Advanced payments	1,490,000	342,000
Curr. Laibilities	$ 31,300,000	$ 26,662,000
Long-term debt & cap. lease oblig.	18,018,000	18,327,000
Deferred inc. taxes	738,000	937,000
Other liabilities	3,798,000	2,724,000
+Common stock	6,294,000	6,184,000
Add. paid-in capital	1,985,000	990,000
Retained earnings	35,728,000	32,894,000
Cum. trans. adjust.	523,000	(3,075,000)
Treasury stock	(724,000)	(724,000)
Total Liabilities & Shareholders' Equity	$ 97,660,000	$ 84,919,000

* At lower of cost or market. Inventories valued at LIFO in U.S. & Asian branches, FIFO in all other countries.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income before Taxes to Sales	4.43	3.86
% Net Income to Sales	2.95	2.19
% Net Income to Equity	8.16	7.33
Sales to Inventories	4.79	4.07
Debt to Equity	0.61	0.84
Working Capital	$ 37,715,000	$ 32,449,000
Current Ratio	2.20	1.99
Shareholders' Equity	$ 43,806,000	$ 33,361,000

Instrument Systems Corporation

100 Jericho Quadrangle
Jericho, New York 11753
(516) 938-5544
FAX: (516) 938-5644

Officers: Harvey R. Blau, chairman of the board; Robert Baleman, president; Patrick L. Alesia, v.p. & treasurer; Susan E. Reilly, secretary.

Directors: Bertrand Bell, Abraham Buchman, Roy Carol, William H. Waldorf, Robert Baleman, Harvey R. Blau, Robert Bradley, Clarence A. Hill, Jr., Milton Paulson, Lester I. Wolff, Martin S. Sussman.

Areas of Work: Through its electronics subsidiary, Telephonics Corporation, the company is engaged in the manufacture of air traffic control systems, command and control systems, communications systems, processing and display systems, airborne and ground-based radar systems, microwave landing guidance systems, radio control and audio distribution systems, performance monitoring systems, microwave and audio components, and custom large scale integrated circuits.

Clopay Corporation produces specialty plastic films for disposable surgical and patient care products and disposable diapers. Also manufactures a broad line of garage doors for the residential, commercial and industrial markets.

Oneita Industries manufactures and distributes basic apparel products such as T-shirts sold to screenprinters, and infantswear and other knit products primarily sold to major merchandisers.

Through Western Synthetic Felt, the Company manufactures synthetic batting.

Through Standard-Keil Hardware, the Company manufactures specialty hardware for commercial refrigeration and beverage dispensing equipment.

Divisions and Subsidiaries:

Instrument Systems International, Inc.
State Road 686, Kil. 0.5
Vega Baja, Puerto Rico
(809) 858-1440

Telephonics Corporation
770 Park Avenue
Huntington, New York 11743
(516) 549-6000

Command Systems Division
Farmingdale, New York

Clopay Corporation
Cincinnati, Ohio

Oneita Industries

Western Synthetic Felt
Carson & Los Angeles, California

Standard-Keil Hardware
Allenwood, New Jersey

Transfer Agent(s):

American Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: ISY

Number of Employees:

1990	5,000	1988	5,000
1989	5,000		

Sales & Earnings

	Net Sales ‡	Net Income #
1990	$ 458,570,000	$ 15,381,000
1989	405,017,000	(14,944,000)
1988	314,864,000	8,830,000
1987	286,648,000	8,719,000
1986	204,727,000	8,102,000

	No. of Com Shares	Earn per Share # +
1990	28,136,956	$ 0.52
1989	27,819,570	—
1988	27,545,920	0.07
1987	30,416,200	0.10
1986	30,338,067	0.25

(Loss)
‡ Of continuing operations only.
# Including extraordinary gains of $5,928,000 ($0.20 per share) in 1990, $3,720,000 (0.12 per share) in 1988, $3,168,000 ($0.10 per share) in 1987 and $3,576,000 ($0.11 per share) in 1986.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Home & commercial prods.	$ 136,910,000	$ 117,671,000
Electronic communications equip.	108,570,000	105,840,000
Specialty plastic films	72,704,000	58,390,000
Apparel	140,386,000	123,116,000
Total	$ 458,570,000	$ 405,017,000

Common Stock Equity

	Total Equity ‡	Equity Per Share
1990	$ 48,655,000	$ 1.73
1989	32,481,000	1.17
1988	48,331,000	1.75
1987	56,000,000	1.84
1986	52,692,000	1.74

‡ After allowing for preferred stock Second Series I at liquidation value.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 458,570,000	$ 405,017,000
Cost of sales	349,293,000	319,899,000
Expenses	76,530,000	61,602,000
Interest expense	11,855,000	13,315,000
Other income	(590,000)	(545,000)
Income bef. taxes	$ 21,482,000	$ 10,746,000
Income taxes	9,016,000	4,643,000
Minority interest	3,013,000	1,348,000
Inc.-cont. oper.	$ 9,453,000	$ 4,755,000
Loss-discont. oper.	—	(19,699,000)
Net Income (Loss)	$ 9,453,000	$ (14,944,000)
Extraord. gain	5,928,000	—
Net Income (Loss) & extraord. gain	$ 15,381,000	$ (14,944,000)

* Included in Costs and Expenses, Depreciation and Amortization: $9,827,000 in 1990 and $8,521,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 25,588,000	$ 33,391,000
Market. securities	1,961,000	—
Accts. receiv., net	67,378,000	67,818,000
Inc. ngt yet billed	14,908,000	9,536,000
* Inventories	72,128,000	61,067,000
Prepaid expenses	11,406,000	12,747,000
Current Assets	$ 193,369,000	$ 184,559,000
# Fixed assets	67,079,000	56,741,000
Other assets	34,057,000	29,635,000
Total Assets	$ 294,505,000	$ 270,935,000

Liabilities

Notes payable	$ 170,000	$ 2,508,000
Long-term debt. curr.	4,176,000	2,611,000
Accts. payable	35,909,000	31,981,000
Accruals	37,052,000	32,465,000
Income taxes	2,101,000	2,107,000
Curr. Liabilities	$ 79,408,000	$ 71,502,000
Long-term debt	103,292,000	116,645,000
Cap. lease oblig.	14,235,000	4,827,000
Liab. of emp. stock ownership plan	2,798,000	3,311,000
Minority interest	29,051,000	25,002,000
+ Preferred stock Series I	427,000	427,000
+ Common stock	7,879,000	7,793,000
Add. paid-in capital	63,905,000	63,851,000
Retained earnings (deficit)	2,996,000	(12,385,000)
Deferred comp.	(3,260,000)	(3,962,000)
Treasury stock	(6,226,000)	(6,176,000)
Total Liabilities & Shareholders' Equity	$ 294,505,000	$ 270,935,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	4.68	—
% Net Income to Sales	2.06	—
% Net Income to Equity	14.38	—
Sales to Inventories	6.36	6.63
Debt to Equity	1.85	2.56
Working Capital	$ 113,961,000	$ 112,957,000
Current Ratio	2.44	2.58
Shareholders' Equity	$ 65,721,000	$ 49,548,000

Integrated Device Technology, Inc.

3236 Scott Boulevard
P.O. Box 58015
Santa Clara, California 95052-8015
(408) 727-6116
FAX: (408) 492-8674

Officers: D. John Carey, chairman & chief exec. officer; Leonard C. Perham, president & chief operating officer; Joseph F. Santandrea, v.p. & gen. mgr.-Wafer Fabrication Operations; William Cortelyou, v.p.-wafer operations; Alan H. Huggins, v.p. & gen. mgr.-Memory Division; Jay R. Zerfoss, v.p.-finance & chief financial officer; Robin H. Hodge, v.p.-assembly; Jack Menache, v.p., general counsel & secretary; John R. Mick, v.p. & gen. mgr.- RISC subsystems div. & product definition; Thomas B. Wroblewski, v.p.-human resources; Joseph J. Zabkar, v.p.-sales; Larry T. Jordan, v.p.-marketing; Charles R. Clark, v.p.-subsystems products; Fu-Chieh Hsu, v.p.-technology development; Danny R. Morris, v.p. & gen. mgr.- static RAM div.; Richard R. Picard, v.p.-logic products; John Payne, v.p. & general manager-microprocessor logic division; Michael J. Rooney, v.p.-FIFO memory products; Christopher P. Schott, v.p.-specialty memory products.

Directors: D. John Carey, chairman; Leonard C. Perham, Carl E. Berg, Louis B. Sullivan.

Areas of Work: Designs and manufactures complex proprietary and industry-standard integrated circuits using high-performance Complementary Metal Oxide Semiconductor (CMOS) and bipolar CMOS (BiCMOS) technology. Major product areas include: static random access memories (SRAMs), microprocessors, specialty memories, first-in-first-out (FIFO) memories, logic products, subsystems, complex logic products, and emitter-coupled logic (ECL) input/output (I/O) interface products.

Divisions:

Static RAM Division
Salinas, California

Subsystems Division
Santa Clara, California

Digital Signal Processing Division
Santa Clara, California

Technology Development Division
Santa Clara, California

Integrated Device Technology, Inc.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IDTI (NASDAQ)

Number of Employees:

1990	2,090	1987	862
1989	1,878	1986	691
1988	1,328		

Sales & Earnings

	Net Sales	Net Income †
1990	$ 209,475,000	$ 17,007,000
1989	180,730,000	17,942,000
1988	121,094,000	11,583,000
1987	77,807,000	2,565,000
1986	57,738,000	4,631,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	25,668,000	$ 0.66
1989	25,465,000	0.70
1988	25,272,000	0.46
1987	24,245,000	0.11
1986	21,038,000	0.22

(Loss)

† Including extraordinary gain of $1,440,000 ($0.07 per share) in 1986.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 130,704,000	$ 5.09
1989	109,353,000	4.29
1988	86,437,000	3.42
1987	71,792,000	2.96
1986	67,858,000	3.23

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	4/1/90	4/2/89
Net sales	$ 209,475	$ 180,730
Cost of sales	98,172	84,844
Expenses		
Res. and develop.	41,644	30,835
Sell., gen. and admin.	39,703	34,287
Interest income	(1,434)	(2,308)
Interest expense	3,519	3,168
Income before taxes	$ 27,871	$ 29,904
Income taxes	10,864	11,962
Net Income	$ 17,007	$ 17,942

* Included in Costs and Expenses, Depreciation and Amortization: $24,866,000 in 1990 and $19,179,000 in 1989.

Assets
(000's)

As of	4/1/90	4/2/89
Cash & cash equiv.	$ 35,952	$ 29,913
Accts. receiv., net	34,706	33,453
*Inventories	31,522	27,901
Prepaid inc. taxes	19,086	15,452
Prepaid expenses	4,354	1,860
Current Assets	$ 125,620	$ 108,579
≠Fixed assets	136,579	87,502
Leasehold interests	1,115	1,531
Total Assets	$ 263,314	$ 197,612

Liabilities
(000's)

	4/1/90	4/2/89
Long-term debt, curr.	$ 15,885	$ 10,667
Accts. payable	21,310	16,110
Accrued payroll	5,448	5,279
Deferred sales to distributors	12,328	12,918
Income taxes pay.	4,677	9,094
Other accruals	3,210	2,275
Curr. Liabilities	$ 62,858	$ 56,343
Long-term debt	62,848	25,177
Deferred inc. taxes	6,904	6,739
+Common stock	25	25
Add. paid-in capital	80,651	76,396
Retained earnings	50,598	33,591
For. curr. trans. adjust.	(175)	(264)
Treasury stock	(395)	(395)
Total Liabilities & Shareholders' Equity	$ 263,314	$ 197,612

* At lower of standard cost (adjusted to approx. actual cost on a FIFO basis) or market.

≠ Less accumulated depreciation and amortization.

+ $0.001 par value.

Statistical Summary

	4/1/90	4/2/89
% Income bef. Taxes to Sales	13.31	16.55
% Net Income to Sales	8.12	9.93
% Net Income to Equity	13.01	16.41
Sales to Inventories	6.65	6.48
Debt to Equity	0.60	0.33
Working Capital	$ 62,762,000	$ 82,236,000
Current Ratio	2.00	4.12
Shareholders' Equity	$ 130,704,000	$ 109,353,000

Intel Corporation

3065 Bowers Avenue
Santa Clara, California 95052-8131
(408) 765-8080
FAX: (408) 987-5686

Officers: Gordon E. Moore, chairman of the board; Andrew S. Grove, president & chief executive officer; Laurence R. Hootnick, sr. v.p. & pres.-Embedded Controller & Memory Group; Leslie L. Vadasz, sr. v.p. & director-Corp. Business Development; David L. House, sr. v.p. & president-Microcomputer Components Group; Keith L. Thomson, v.p. & gen. mgr.-Desktop Computer Division; Harold E. Hughes, Jr., v.p. & controller- Microcomputer Components Group; Richard D. Boucher, v.p. & director-Corporate Programs; Ronald J. Whittier, v.p. & dir.-marketing; Craig R. Barrett, executive v.p.; Robert T. Jenkins, v.p. & director- Corporate Licensing; Gerhard H. Parker, v.p. & director-Technology Group; Robert W. Reed, sr. v.p. & chief financial officer; F. Thomas Dunlap, Jr., v.p., gen. counsel & secretary; Frank C. Gill, sr. v.p. & director-Systems Group; Bernard P. Giroud, v.p. & president-Intel Europe; Albert Y.C. Yu, v.p. & gen. mgr.-Micro Products Group; Jean-Claude Cornet, v.p. & gen. mgr.-Desktop Computing Division; Carlene M. Ellis, v.p. & dir.-Administration Group; G. Carl Everett, v.p. & dir.-North America Sales & Marketing; Arvind Sodhani, treasurer.

Directors: Gordon E. Moore*, chairman; Arthur Rock*, Andrew S. Grove*, D. James Guzy, Richard Hodgson, Sanford Kaplan, Max Palevsky, Charles E. Young, Leslie L. Vadasz*, David Yoffie.

* Member of the Executive Committee

Areas of Work: Engaged in the design, development, manufacture and sale of VLSI (very large scale integrated) semiconductor components and systems incorporating these components.

Subsidiaries:

Intel Corporation S.A.R.L.
1 Rue Edison-BP 303
78054 St. Quentin en Yvelines Cedex
France

Intel Japan K.K.
5-6 Tokodai
Tsukuba-shi
Ibaraki-ken, 300-26, Japan

Transfer Agent(s):

The First National Bank of Boston
Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTC (NASDAQ)

Number of Employees:

1990	24,600	1987	N.A.
1989	21,700	1986	18,200
1988	20,800		

Plant Footage:

1990	5,343,000 sq. ft.	1987	N.A.
1989	4,873,000	1986	3,972,000
1988	4,268,000		

N.A. - Not Available

Sales & Earnings

	Net Revenues	Net Income †
1990	$ 3,921,274,000	$ 650,261,000
1989	3,126,833,000	391,021,000
1988	2,874,769,000	452,922,000
1987	1,907,105,000	248,055,000
1986	1,265,011,000	(173,165,000)

	No. of Com. Shares +	Earn. per Share † ≠
1990	199,651,000	$ 3.20
1989	184,516,000	2.07
1988	180,540,000	2.51
1987	168,332,000	1.38
1986	176,659,000	—

(Loss)

† Including extraordinary gain of $10,119,000 in 1986.

+ Adjusted to reflect stock split.

≠ Based on the weighted average number of capital shares and capital share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 3,591,506,000	$ 17.99
1989	2,548,803,000	13.81
1988	2,080,054,000	11.52
1987	1,276,425,000	7.58
1986	1,245,227,000	7.05

Adjusted to reflect stock split

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Net revenues	$ 3,921,274	$ 3,126,833
Cost of sales	1,930,288	1,720,979
Expenses	1,132,651	848,540
Interest expense	99,363	96,127
Interest income	(227,289)	(121,834)
Income bef. taxes	$ 986,261	$ 583,021
Income taxes	336,000	192,000
Net Income	$ 650,261	$ 391,021

* Included in Costs and Expenses, Depreciation $292,431,000 in 1990 and $237,160,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv	$ 1,619,648	$ 1,063,734
Short-term invest	165,239	26,005
Accts. receiv., net	709,658	568,709
*Inventories	415,433	347,077
Prepaid inc. taxes	144,583	127,822
Other curr. assets	64,620	29,526
Current Assets	$ 3,119,181	$ 2,162,873
#Fixed assets	1,657,568	1,284,050
Investments	561,477	507,669
Other assets	38,082	39,391
Total Assets	$ 5,376,308	$ 3,993,983

Liabilities
(000'S)

	1990	1989
Short-term debt	$ 171,130	$ 156,499
Commercial paper	31,897	—
Long-term debt, curr.	75,369	—
Accts. payable	209,365	165,352
Deferred inc. on shipments	120,789	95,951
Accrued compensation	254,760	164,859
Other accruals	209,140	172,048
Income taxes payable	241,101	166,517
Curr. Liabilities	$ 1,313,751	$ 921,226
Long-term debt	344,605	412,480
Deferred inc. taxes	126,446	111,474
+ Common stock	200	185
Add. paid-in capital	1,572,555	1,165,191
Retained earnings	2,018,751	1,383,427
Total Liabilities & Shareholders' Equity	$ 5,376,308	$ 3,993,983

* At lower of cost (currently adjusted standard basis) or market.
# Less accumulated depreciation and amortization.
+ $0.001 par value

Statistical Summary

% Income bef. Taxes to Revenues	25.15	18.65
% Net Income to Revenues	16.58	12.51
% Net Income to Equity	18.11	15.34
Debt to Equity	0.17	0.22
Working Capital	$ 1,805,430,000	$ 1,341,647,000
Current Ratio	2.37	2.63
Shareholders' Equity	$ 3,591,506,000	$ 2,548,803,000

Intergraph Corporation

One Madison Industrial Park
Huntsville, Alabama 35894-0001
(205) 730-2000
FAX: (205) 730-2164

Officers: Elliot D. James, president; Maurice G. Romine, exec. v.p.; James F. Taylor, Jr., exec. v.p.; John M. Thorington, Jr., exec. v.p.; Neil E. Keith, exec. v.p.; Allan B. Wilson, exec. v.p.; Robert E. Thurber, exec. v.p.; Douglas B. Gerulle, exec. v.p.; Bruce E. Imsand, exec. v.p.; Howard G. Sachs, exec. v.p.; Manfred Wittler, exec. v.p.; Robert E. Thurber, exec. v.p.; Herman E. Thomason, exec. v.p.; Larry J. Laster, exec. v.p. & chief financial officer; Roger Coupland, v.p.; Edward J. Blaum, v.p.; John Mostert, v.p.; Edward F. Boyle, v.p.; Lew Epstein, v.p.; Damian Walters, v.p.; Winston Newton, v.p.; George M. Heeschen, v.p.; Anthony Crawford, v.p.; Jeff Edson, v.p.; Robert L. Kuehlthau, v.p.; Lawrence F. Ayers, Jr., v.p.; Bruce J. Brasseale, v.p.; Milford B. French, v.p.; Robert A. Glasier, v.p.; Jeffrey P. Heath, v.p.; Larry V. Janzen, v.p.; Stephen J. Phillips, v.p.; Trevor Postlethwaite, v.p.; Attilio Rimoldi, v.p.; John W. Wilhoite, v.p.; Edward A. Wilkinson, v.p.; James H. Dorton, treasurer; John R. Wynn, v.p. & secretary; B. Judd Hennington, assistant secretary.

Directors: James W. Meadlock, chairman; Elliot D. James, Roland E. Brown, Larry J. Laster, Nancy B. Meadlock, Keith H. Schonrock, Jr., James F. Taylor, Jr., Robert E. Thurber.

Areas of Work: Supplies interactive turnkey computer graphics systems, including a host computer, workstations and terminals, to create and support databases for a variety of industries.

Foreign Subsidiaries:

Intergraph Europe, Inc.
Hoofddorp, The Netherlands

Intergraph (Benelux) BV
Brussels, Belgium

Intergraph (Scandinavia) A/S
Frederiksberg, Denmark

Intergraph (Finland) Oy
Espoo, Finland

Intergraph (France) S.A.R.L.
Rungis Cedex, France
Yvette, France

Intergraph Italia S.p.A.
Milanofiori, Italy

Intergraph (Benelux) BV
Aalsmeer, The Netherlands

Intergraph (Norge) A/S
Asker, Norway

Intergraph (Espana) S.A.
Barcelona, Spain
Madrid, Spain

Intergraph (Scandinavia) AB
Taby, Sweden

Intergraph (Switzerland) AG
Zurich, Switzerland

Intergraph (Great Britain) Ltd.
Swindon, U.K.
Derby, United Kingdom

Intergraph (Deutschland) GmbH
Munich, West Germany

Intergraph Corporation Pty., Ltd.
Sydney (North Ryde), Adelaide, Brisbane, Perth, Melbourne, Australia

Intergraph Systems, Ltd.
Calgary, Edmonton, Mississauga, Montreal (Verdun), Ottawa, Vancouver (Burnaby), Canada

Intergraph Middle East Ltd.
Larnaca, Cyprus

Nihon Intergraph K.K.
Tokyo, Japan

Intergraph Korea, Inc.
Seoul, South Korea

Intergraph de Mexico S.A. de C.V.
Mexico City, Mexico

Intergraph Corporation (N.Z.), Ltd.
Wellington, New Zealand

Intergraph Systems South-East Asia (Pte), Ltd.
Singapore

Intergraph Corporation Taiwan
Taipei, Taiwan

Intergraph Servicios de Venezuela C.A.
Caracas, Venezuela

Domestic Subsidiaries:

Optronics Inc.
Manufactures computer-oriented electro-optical components and systems.

Tangent Systems Corp. (82% interest)
Develops computer software products.

CNR Research Inc. (50% interest)

Bentley Systems, Inc. (50% interest)
A computer graphics software development company.

Quintus Computer Systems Inc.
Mountainview, California
A developer of Prolog-based software development tools.

Acquisition:

DAZIX
Developer of CAD software for electronics industry.

Transfer Agent(s):

Citizens & Southern National Bank
Atlanta, Georgia 30399

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INGR (NASDAQ)

Number of Employees:

1990	9,600	1987	6,300
1989	8,200	1986	5,700
1988	7,300		

Plant Footage:

1990	3,572,000 sq. ft.	1988	1,096,200
1989	1,566,000	1987	1,027,000

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,044,617,000	$ 62,557,000
1989	860,062,000	79,502,000
1988	800,160,000	87,986,000
1987	641,083,000	69,876,000
1986	605,737,000	70,362,000

	No. of Com. Shares	Earn. per Share ‡
1990	47,529,078	$ 1.28
1989	50,046,306	1.48
1988	56,929,220	1.55
1987	56,380,703	1.23
1986	56,395,714	1.26

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Intergraph Corporation

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 682,272,000	$ 14.35
1989	629,759,000	12.58
1988	667,076,000	11.72
1987	567,198,000	10.06
1986	496,157,000	8.80

Income Account *
(000's)

Year ended Dec 31	1990	1989
Revenues		
Sales	$ 769,575	$ 631,251
Service & equip rentals	275,042	228,811
Total income	$ 1,044,617	$ 860,062
Cost of revenues	534,838	440,217
Expenses		
Prod develop	110,053	91,486
Sales & mktng	209,491	156,935
Gen & adm	96,122	79,957
Interest expense	1,629	926
Interest income	(9,285)	(13,555)
Gains on sales of investments	(3,571)	(13,469)
Other expense (income)	7,023	(1,807)
Income before taxes	$ 98,317	$ 119,372
Income taxes	35,760	39,870
Net Income	$ 62,557	$ 79,502

* Included in Costs and Expenses, Depreciation and Amortization: $55,066,000 in 1990 and $48,330,000 in 1989

Assets
(000's)

As of Dec 31	1990	1989
Cash & cash equiv	$ 66,777	$ 61,978
Short-term invest	23,504	29,101
Accts receiv net	350,477	273,215
*Inventories	177,811	189,977
Other curr assets	21,780	19,665
Current Assets	$ 640,349	$ 573,936
Investments	22,694	28,500
#Fixed assets	223,537	185,077
Other assets	20,880	20,513
Total Assets	$ 907,460	$ 808,026

Liabilities
(000's)

	1990	1989
Short-term debt & long-term debt, curr	$ 4,525	$ 10,430
Accts payable	50,070	42,821
Accrued compensation & other expenses	74,275	55,340
Billings in exc of sales	57,661	33,542
Income taxes	10,546	17,405
Curr Liabilities	$ 197,077	$ 159,538
Long-term debt	16,891	7,069
Deferred inc taxes	11,220	11,660
+ Common stock	5,693	5,693
Add paid-in capital	241,373	241,360
Retained earnings	560,851	498,294
Cum trans adjust	26,378	
Treasury stock	(152,023)	(115,588)
Total Liabilities & Shareholders' Equity	$ 907,460	$ 808,026

* At lower of cost (average) or market
# Less accumulated depreciation and amortization
+ $0.10 par value

Statistical Summary

% Income bef Taxes to Revenues	9.41	13.88
% Net Income to Revenues	5.99	9.24
% Net Income to Equity	9.17	12.62
Debt to Equity	0.03	0.03
Working Capital	$ 443,272,000	$ 414,398,000
Current Ratio	3.25	3.60
Shareholders' Equity	$ 682,272,000	$ 629,759,000

Intermec Corporation

(The Company has been acquired by Litton Industries.)

4405 Russell Road
P.O. Box 360602
Lynnwood, Washington 98046
(206) 348-2600
FAX (206) 355-9551

Officers: John W. Paxton, president & chief exec. officer; Roger C. Palmer, v.p.-research; Dale Kelley, v.p.-engineering; Louis R. Kertesz, v.p.-corporate services; Joseph E. Beebe, sr. v.p.; Michael Ohanian, v.p.-Federal Systems Group; Gregory L. Tannheimer, v.p.-marketing & sales; Peter Pottschulte, v.p.-International Sales & Marketing; Frederick V. Steffan, secretary & general counsel; Ronald L. Tilden, corporate controller.

Directors: John W. Paxton, David B. Pivan, William H. Gates, Roger G. Harker, Charles L. Anderson, Robert D. O'Brien, John W. Zevenbergen, R. David Garwood.

Areas of Work: Designs, manufactures and markets bar code related products including impact and thermal printers, laser scanners, port concentrators, accessories, tags and labels. Products are used mainly in industry data capture systems such as inventory control, hospital record tracking, library circulation control, shipping/receiving, and stock/finished goods control.

Subsidiaries:

INTERMEC Media Products
9615 Inter Ocean Drive
Cincinnati, Ohio 45246
(513) 874-5882

INTERMEC Strichode Systeme GmbH
Hohestr 31-33
6380 Bad Homburg
West Germany
011-49 6172-
FAX 25238

INTERMEC Systems Corp
Ontario 92680 Canada
(714) 259-1511

INTERMEC Strichcode AG
Zurich, Switzerland

Affiliates:

INTERMEC UK Ltd
Reading, England

Data Collection Systems, Inc
Minneapolis, Minnesota

Acquisition:

Harefa B.V.
Nijmegen, The Netherlands
A dutch manufacturer of media products and supplies

Transfer Agent(s):

First Interstate Bank Ltd
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTR (NASDAQ)

Number of Employees:

1989	1,350	1987	543
1988	734	1986	484

Plant Footage:

1989	312,000 sq. ft.	1987	166,300
1988	166,300		

Sales & Earnings

1990	$ 168,481,000	$ 11,515,000
1988	131,112,000	8,036,000
1988	93,618,000	4,881,000
1987	67,905,000	2,528,000
1986	51,891,000	1,523,000

	No. of Com Shares ‡	Earn per Share ‡
1990	7,628,000	$ 1.51
1989	6,965,000	1.15
1988	6,616,000	0.74
1987	6,430,000	0.39
1986	6,377,000	0.24

‡ Based on the average number of shares outstanding during the year

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 101,539,000	$ 13.31
1989	54,817,000	7.87
1988	41,117,000	6.21
1987	34,286,000	5.33
1986	31,069,000	4.87

‡ Based on the average number of shares outstanding during the year

Income Account *
(000's)

Year ended Mar 31	1990	1989
Revenues	$ 168,481	$ 131,112
Cost of revenues	77,547	57,884
Expenses	72,220	58,872
Costs assoc with acq of distrib channels	1,478	2,548
Interest expense	1,282	1,253
Interest income	(951)	(796)
Income before taxes	$ 16,905	$ 11,351
Income taxes	5,390	3,315
Net Income	$ 11,515	$ 8,036

* Included in Costs and Expenses, Depreciation and Amortization: $5,568,000 in 1990 and $4,666,000 in 1989

Assets
(000's)

As of	1990	1989
Cash	$ 1,593	$ 1,255
Short-term investments	25,000	
Accts receiv net	38,596	40,009
* Inventories	33,881	27,659
Def inc tax benefits	1,746	2,152
Other curr assets	665	693
Current Assets	$ 101,481	$ 71,768
# Fixed assets	41,620	13,878
Land held for invest	3,472	3,262
Equity invest	2,040	1,906
Goodwill	3,150	3,113
Other assets	3,828	4,053
Total Assets	$ 155,591	$ 97,980

Liabilities

(000's)

Notes payable	$	4,087	$	16,985
Long-term debt, curr		1,041		37
Accts payable		10,137		10,533
Accrued compensation		5,754		4,778
Accrued payroll		588		884
Income taxes pay		498		269
Unearned service revenue		3,101		2,086
Other liabilities		1,883		2,488
Curr Liabilities	$	27,183	$	38,047
Long-term debt		26,029		5,008
Deferred inc taxes		470		998
• Common stock		4,980		4,168
Add paid-in capital		58,400		24,078
Retained earnings		37,978		26,465
For curr trans adjust		171		108
Total Liabilities & Shareholders' Equity	$	155,591	$	98,880

* At lower of cost (FIFO) or market

≠ Less accumulated depreciation and amortization

• $0.60 par value

Statistical Summary

% Income bef taxes to Sales		10.03		8.96
% Net Income to Sales		6.83		6.13
% Net Income to Equity		11.34		14.66
Sales to Inventories		4.97		1.74
Debt to Equity		0.31		0.40
Working Capital	$	74,328,000	$	33,711,000
Current Ratio		3.74		1.89
Shareholders' Equity	$	101,539,000	$	54,817,000

International Business Machines Corporation

Old Orchard Road
Armonk, New York 10504
(914) 765-1900
FAX (914) 765-4190

Officers: John F. Akers, chairman of the board; Jack D. Kuehler, president; Frank A. Metz, Jr., sr. v.p.-finance & planning; C. Michael Armstrong, sr. v.p.; George H. Conrades, sr. v.p.; Carl J. Conti, sr. v.p.; Terry R. Lautenbach, sr. v.p.; Walton E. Burdick, sr. v.p.; Patrick A. Toole, sr. v.p.; Stephen B. Schwartz, sr. v.p.; Patrick A. Toole, sr. v.p.; David E. McKinney, sr. v.p.; Carl F. Wheeler, sr. v.p.; Donato A. Evangelista, v.p. & general counsel; Ray S. AbuZayyad, v.p.; John P. Cunningham, v.p.; John A. Armstrong, vice president; Michael J. Attardo, vice president; James A. Cannavino, vice president; Ralph W. Clark, vice president; Robert J. Corrigan, v.p.; William J. Filip, vice president; Kenneth W. Dam, vice president; James E. Dezell, Jr., vice president; Bob E. Dies, vice president; Nicholas M. Donofrio, vice president; Gerald W. Ebker, vice president; Howard G. Figueroa, vice president; Lucie J. Fjeldstad, vice president; Larry J. Ford, vice president; James J. Forese, vice president; Heinz K. Fridrich, vice president; Richard T. Gerstner, vice president; Victor J. Goldberg, vice president; William O. Grabe, vice president; Joseph M. Guglielmi, vice president; Lutz F. Hahne, vice president; Ellen M. Hancock, vice president; Arthur J. Hedge, Jr., vice president; Hans-Olaf Henkel, vice presient; Pierre Hessler, vice president; John J. Higgins, vice president; Harry L. Kavetas, vice president; Edward J. Kfoury, vice president; Robert J. LaBant, vice president; Ned C. Lautenbach, vice president; Roberh J. Libero, vice president; Paul R. Low, vice president; W. Wilson Lowery, Jr., vice president; Edward E. Lucente, vice president; Marvin L. Mann, vice president; David E. McDowell, vice president; James C. McGroddy, vice president; Nobuo Mii, vice president; Ennio Presutti, vice president; M. Bernard Puckett, vice president; Michael J. Quinlan, vice president; William W. K. Rich, vice president; Renato Riverso, vice president; Edward E. Rogers, vice president; Peter R. Schneider, vice president; Takeo Shiina, vice president; Robert M. Stephenson, vice president; David M. Thomas, vice president; John M. Thompson, vice president; Mary Lee Turner, vice president; James T. Vanderslice, vice president; John F. Hickey, secretary; Robert Ripp, treasurer; Joe Grills, asst. treasurer; Robert N. Mattson, asst. treasurer; John H. Stewart, asst. treasurer; Michael H. Van Vranken, controller; Frank L. Hillenbrand, Jr., assistant controller.

Directors: John F. Akers, chairman; Stephen D. Bechtel, Jr.; Harold Brown; James E. Burke; Frank T. Cary; William T. Coleman, Jr.; Thomas F. Frist, Jr.; Fritz Gerber; Judith Richard Hope; Nicholas deB. Katzenbach; Nanerl O. Keohane; Jack D. Kuehler; Richard W. Lyman; Frank A. Metz, Jr.; J. Richard Munro; Thomas S. Murphy; Helmut Sihler; John R. Opel; John B. Slaughter; Edgar S. Woolard, Jr.

Areas of Work: The Company's operations are primarily in the field of information handling systems, equipment and services to solve the problems of business, government, science, space exploration, defense, education, medicine and many other areas of human activity. Products include information processing products and systems, program products, communications systems, workstations, typewriters, copiers, educational and testing materials, and related supplies and services.

Divisions:

Information Systems Group

National Distribution Division
Marketing responsibility in U.S. for selected systems and high-volume products delivered through alternate channels of distribution. Also responsible for manufacturing or procurement and marketing within the U.S. of IBM supplies and accessories.

North-Central Marketing Division
Markets the full standard line of IBM products in its geographic area.

South-West Marketing Division
Markets the full standard line of IBM products in its geographic area.

National Service Division
Provides service for assigned products, manages services business within the U.S. and its territories, and supports IBM's marketing efforts.

Information Systems and Technology Group

Data Systems Division
Worldwide development responsibility for large, complex systems, with primary emphasis on high-performance products and associated programming, plus U.S. manufacturing responsibility for those systems. Also supplies computer components, including logic and selected memory technologies, used in products that it and other IBM divisions manufacture in the U.S.

General Technology Division
Worldwide development and United States manufacturing responsibility for the component technology requirements of the low-to-moderate price computers made by the General Systems Division and products of the Office Products Division.

Systems Technology Division
Develops and manufactures intermediate processors and printers and develops programming systems.

General Products Division
Worldwide development and United States manufacturing responsibility for computer tape units, disk files and printers.

Information Systems and Communications Group

Communication Products Division
Worldwide development and U.S. manufacturing responsibility for communications equipment, terminal products and related communications, technologies and programming.

Entry Systems Division
Worldwide development and product management, and U.S. manufacturing responsibility for IBM's general purpose, low-cost, personal use computer systems and related software.

Information Systems and Products Group

Information Products Division
Markets disk packs and data modules; manufactures and markets data processing cards, magnetic tape and cards, business forms and other consumable products used in information-handling systems.

Systems Products Division
Worldwide developments and United States manufacturing responsibility for central processor products including main storage, logic technologies, packaging technology, channels and cables; development and implementation of advanced design and manufacturing support systems.

Other Divisions

Federal Systems Divisions
Concentrates on advanced technology and systems for the ground-based, seaborne, airborne and spaceborne information-handling systems and control needs of the U.S. Government.

Real Estate and Construction Division
Arranges for the construction, purchasing or leasing of new company facilities. Develops technologies of potential long-range importance.

Research Division
Brings scientific understanding to bear on areas of company interest through basic research and development of technologies of potential long-range importance.

Subsidiaries:

IBM Instruments, Inc.
Markets and services products in the analytical instruments field.

IBM Credit Corporation
Offers lease financing of IBM products, either directly or through partnerships, and finances installment receivables resulting from sales by IBM of its information processing systems and equipment to customers in the U.S. It also finances non-IBM equipment.

IBM World Trade Corporation
Conducts IBM's business outside the United States directly or through its subsidiaries.

IBM Americas/Far East Systems Corporation
Conducts IBM's business in 44 countries, including Australia, Brazil, Canada, and Japan.

IBM World Trade Europe/Middle East/Africa Corporation
Responsible for IBM operations in 77 countries, including the USSR, and the Eastern European countries.

International Video Disk Corporation

Rolm Corporation
Has worldwide development, manufacturing and marketing responsibility for fully integrated computerized business communication systems including private branch exchanges, voice messaging systems, circuit switched data systems, desktop products, and related applications.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Philadelphia, Pacific, Midwest, Cincinnati, Boston, Montreal, Toronto, Austria, Belgium, England, France, Japan, Switzerland, The Netherlands, West Germany.

Ticker Symbol: IBM

Number of Employees:

1990	373,816	1987	389,348
1989	383,220	1986	403,508
1988	387,112		

Plant Footage*

1990	91.2 sq. ft.	1988	95.3
1989	91.6		

*Square feet in millions

International Business Machines Corporation

Sales & Earnings

	Revenue ‡ (000's)	Net Income (000's)
1990	$ 69,018,000	$ 6,020,000
1989	62,710,000	3,758,000
1988	59,681,000	5,806,000
1987	55,256,000	5,258,000
1986	52,160,000	4,789,000

	No. of Com Shares	Earn per Share +
1990	571,391,191	$ 10.51
1989	574,699,837	6.47
1988	589,740,508	9.80
1987	597,051,744	8.72
1986	605,922,949	7.81

‡ Includes sales, services and rentals

+ Based on the average number of shares outstanding

Revenues by Line of Business
(000's)

	1990	1989
Information technology		
Processors	$ 16,433,000	$ 16,236,000
Workstations	13,956,000	12,578,000
Peripherals	13,190,000	11,458,000
Software	9,952,000	8,424,000
Maintenance serv	7,768,000	7,070,000
Other	5,791,000	4,938,000
Federal systems	1,928,000	2,006,000
Total	$ 69,018,000	$ 62,710,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 4.84	—	—
1989	4.73	—	—
1988	4.40	—	—
1987	4.40	—	—
1986	4.40	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 42,832,000	$ 74.96
1989	38,509,000	67.01
1988	39,509,000	66.99
1987	38,263,000	64.09
1986	34,374,000	56.73

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 43,959,000	$ 41,586,000
Rentals & services	25,059,000	21,124,000
Total income	$ 69,018,000	$ 62,710,000
Cost of sales	19,401,000	18,001,000
Cost of rentals & services	11,322,000	9,700,000
Expenses	27,263,000	28,116,000
Other income	(495,000)	(728,000)
Interest expense	1,324,000	976,000
Income before taxes	$ 10,203,000	$ 6,645,000
Income taxes	4,183,000	2,887,000
Net Income	$ 6,020,000	$ 3,758,000

* Included in Costs and Expenses, Depreciation $4,217,000,000 in 1990 and $4,240,000,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equivs	$ 3,853,000	$ 3,700,000
Marketable securities	698,000	1,261,000
Notes & accts receiv., net	20,988,000	18,866,000
Other accts. receiv	1,656,000	1,298,000
*Inventories	10,108,000	9,463,000
Prepaid expenses	1,617,000	1,287,000
Current Assets	$ 38,920,000	$ 35,875,000
≠Fixed assets	27,241,000	24,943,000
Investments & other assets	21,407,000	16,916,000
Total Assets	$ 87,568,000	$ 77,734,000

Liabilities
(000's)

	1990	1989
Taxes	$ 3,159,000	$ 2,699,000
Short-term debt	7,602,000	5,892,000
Accts. payable	3,367,000	3,167,000
Compens. & benefits	3,014,000	2,797,000
Deferred income	2,506,000	1,365,000
Other accruals	5,628,000	5,780,000
Curr. Liabilities	$ 25,276,000	$ 21,700,000
Long-term debt	11,943,000	10,825,000
Other liabilities	3,656,000	3,420,000
Deferred income taxes	3,861,000	3,280,000
+Common stock	6,357,000	6,341,000
Retained earnings	33,234,000	30,477,000
Trans. adjust	3,266,000	1,698,000
Treasury stock	(25,000)	(7,000)
Total Liabilities & Shareholders' Equity	$ 87,568,000	$ 77,734,000

* At lower of average cost or market

≠ Less accumulated depreciation

+ $1.25 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales, Services & Rentals ‡	14.78	10.60
% Net Income to Sales, Services & Rentals	8.72	5.99
% Net Income to Equity	14.05	9.76
Debt to Equity	0.46	0.28
Working Capital (000's)	$ 13,644,000	$ 14,175,000
Current Ratio	1.54	1.65
Shareholders' Equity (000's)	$ 42,832,000	$ 38,509,000

International Power Machines Corporation

200 Madison Avenue, 2nd Floor
New York, New York 10016-3901
(212) 953-0100
FAX (212) 953-0626

Officers: Warren H. Haber, chairman; John J. Mulcair, president; Barry A. Papermaster, v.p.-marketing & sales; William L. Zang, v.p. & controller; Mark R. Shenkman, president-Shenkman Capital Management, Inc.; Lawrence M. Pohly, secretary

Directors: Warren H. Haber, chairman; John J. Mulcair, Mark R. Shenkman, Stephen L. Wald

Areas of Work: Designs, manufactures, sells and maintains single-phase and three-phase uninterruptible power systems (UPS) which provide regulated continuous power for a wide range of power critical applications. The company also manufactures Power Distribution Units which are used to distribute electrical power from the UPS to the protected equipment and its peripherals, offering maximum flexibility for future change and expansion.

Divisions and Subsidiaries:

Power Products Group
2975 Miller Park North
Garland, Texas 75042-7799
(214) 272-8000

IPM Pacific, Ltd.
Unit 1112 Austin Tower
22-26A Austin Avenue
Tsimshatsui, Kowloon, Hong Kong
852-721-6318

LorTec Power Systems, Inc.
145 Keep Court
Elyria, Ohio 44035-2214
(216) 327-5050

Manufactures single and three phase uninterruptible power systems.

Transfer Agent(s)

American Stock Transfer Co.
New York, New York

Stock Exchange(s): American

Ticker Symbol: PWR

Number of Employees:

1990	295	1987	263
1989	373	1986	225
1988	N.A.		

N.A. - Not Available

Plant Footage:

1990	224,000 sq. ft.	1987	121,000
1989	224,152	1986	70,000
1988	186,000		

Sales & Earnings

	Revenues +	Net Income
1990	$ 30,516,000	$ (2,227,000)
1989	32,985,000	383,000
1988	25,620,000	1,155,000
1987	22,169,000	(946,000)
1986	23,334,000	(2,872,127)

	No. of Com Shares	Earn per Share ‡
1990	4,263,667	$ —
1989	4,263,667	0.04
1988	4,263,667	0.22
1987	4,263,667	—
1986	3,820,332	—

(Loss)

+ Of continuing operations only

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity †	Equity Per Share
1990	$ 1,562,000	$ 0.37
1989	4,014,000	0.94
1988	4,316,000	1.01
1987	2,926,000	0.69
1986	3,540,000	0.93

† After allowing for preferred stock at liquidation value

Income Account *

Year ended Dec. 31	1990	1989
Revenues	$ 30,516,000	$ 32,985,000
Cost of revenues	23,029,000	23,676,000
Expenses	6,959,000	8,146,000
Interest expense	694,000	612,000
Other expense	60,000	72,000
Inc. (loss) bef. taxes	$ (226,000)	$ 479,000

Income taxes	—	44,000
Inc (loss)-cont oper	$ (226,000)	$ 435,000
Loss-discont oper	(2,001,000)	(52,000)
Net Income (Loss)	$ (2,227,000)	$ 383,000

* Included in Costs and Expenses, Depreciation and Amortization: $598,000 in 1990 and $645,000 in 1989

Assets

As of Dec 31	1990	1989
Cash	$ 578,000	$ 68,000
Accts recerv , net	5,028,000	4,641,000
*Inventories	6,452,000	7,786,000
Other curr assets	868,000	543,000
Net assets-discont oper	1,756,000	3,300,000
Current Assets	$ 14,682,000	$ 16,338,000
#Fixed assets	1,082,000	1,348,000
Goodwill	1,630,000	1,708,000
Other assets	115,000	89,000
Total Assets	$ 17,509,000	$ 19,483,000

Liabilities

Notes pay & long-term debt curr	$ 6,515,000	$ 6,228,000
Accts payable & accruals	4,352,000	4,038,000
Deferred inc -maint agree	1,779,000	1,731,000
Curr Liabilities	$ 12,646,000	$ 11,997,000
Long-term debt	891,000	1,287,000
+Preferred stock	400,000	400,000
++Common stock	426,000	426,000
Add paid-in capital	8,278,000	8,278,000
Retained earnings (deficit)	(5,132,000)	(2,905,000)
Total Liabilities & Shareholders' Equity	$ 17,509,000	$ 27,098,000

* At lower of cost (FIFO) or market

Less accumulated depreciation and amortization

+ $1 par value. Dividends accrue at 15% of original issue price of $3.75

++ $0.10 par value

Statistical Summary

% Net Income to Equity	—	6.18
Debt to Equity	1.86	1.21
Working Capital	$ 2,036,000	$ 4,341,000
Current Ratio	1.16	1.36
Shareholders' Equity	$ 3,972,000	$ 6,199,000

International Rectifier Corporation

233 Kansas Street
El Segundo, California 90245
(213) 772-2000
FAX (213) 772-9028

Officers: Eric Lidow, president and chairman of the board; Robert J. Mueller, corp. exec. v.p.-External Affairs; Roger Hay, v.p.-finance; Gerald A. Koris, secretary; Lesley C. Kleveter, asst. secretary

Directors: Eric Lidow, Alan Lidow, Jack O. Vance, Robert J. Mueller, George Krsek, Rochus E. Vogt

Areas of Work: Manufactures rectifiers, semiconductor devices, metal oxide semiconductor power transistors (MOSFETs), controls, sub-assemblies and closed loop systems, instrumentation for monitoring and controlling hydraulic systems, metallurgical alloys, thyristors, and diodes

Divisions:

Semiconductor Division
233 Kansas Street
El Segundo, California 9024
(213) 772-2000

Foreign Subsidiaries:

International Rectifier Corporation Italiana S.p.A
Via Privata Liguria 49
10071 Borgaro, Turin, Italy

International Rectifier Southeast Asia Pte. Ltd
HEX 10-01 Fortune Center
190 Middle Road
Singapore

International Rectifier GmbH
Saalburgstrasse 157
D-6380 Bad Hamburg, Germany

International Rectifier Company (Great Britain) Limited
Hurst Green, Oxted
Surrey, England

International Rectifier Canada Limited
101 Bentley Street
Markham, Ontario L3R 3L1 Canada
(416) 475-1897

International Rectifier Far East Company, Ltd
K&H Building, 30-4 Nishi ikebukoro 3-Chome
Toshima-Ku
Tokyo, Japan 171

Rectificadores Internacionales, S.A
Durazno #30, Centro Industrial, Los Olivos, La Mesa, de Tijuana
Baja California, Mexico

Associate Company:

Ruttonsha-International Rectifier Private Ltd
31 Greenacre, 5 Union Park
Kar (W), Bombay 400 052, India

Transfer Agent(s):

Security Pacific National Bank
333 South Beaudry Avenue
Los Angeles, California 90017

Stock Exchange(s): New York, Pacific

Ticker Symbol: IRF

Number of Employees:

1990	2,600	1987	2,350
1989	2,400	1986	2,300
1988	2,300		

Sales & Earnings

	Revenues +	Net Income
1990	$ 229,863,000	$ 2,157,000
1989	195,609,000	(12,680,000)
1988	179,140,000	(12,125,000)
1987	151,945,000	(16,920,000)
1986	145,167,000	(87,000)

	No. of Com. Shares	Earn. per Share #
1990	11,446,921	$ 0.18
1989	11,295,257	—
1988	11,107,952	—
1987	10,984,842	—
1986	10,900,665	—

(Loss)

+ Of continuing operations only

Based on the weighted average number of common shares outstanding

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 21,572,000	$ 1.88
1989	16,648,000	1.47
1988	29,217,000	2.63
1987	39,949,000	3.64
1986	54,892,000	5.04

Income Account *

Year ended Jun. 30	1990	1989
Revenues	$ 229,863,000	$ 195,609,000
Cost of revenues	163,382,000	146,493,000
Expenses	46,804,000	45,492,000
Interest expense	17,062,000	16,331,000
Gain on sale of prop. & equip	—	(1,016,000)
Other expense (income)	(8,000)	373,000
Inc (loss) bef taxes	$ 2,623,000	$ (12,064,000)
Income taxes	466,000	616,000
Net Income (Loss)	$ 2,157,000	$ (12,680,000)

* Included in Costs and Expenses, Depreciation and Amortization: $12,005,000 in 1990 and $12,132,000 in 1989

Assets

As of June 30	1990	1989
Cash & cash equiv	$ 2,388,000	$ 2,065,000
Accts recerv , net	43,697,000	39,895,000
*Inventories	42,118,000	37,084,000
Prepaid expenses	4,035,000	4,185,000
Current Assets	$ 92,238,000	$ 83,229,000
#Fixed assets	115,103,000	121,769,000
Construc in progress	2,238,000	583,000
Invest & notes recerv.	2,873,000	2,763,000
Other assets	5,080,000	3,647,000
Total Assets	$ 217,532,000	$ 211,991,000

Liabilities

Bank loans	$ 13,615,000	$ 12,351,000
Long-term debt, curr	13,694,000	13,088,000
Accts payable	25,834,000	22,684,000
Accrued payroll	7,652,000	6,826,000
Other accruals	5,554,000	4,538,000
Curr Liabilities	$ 66,349,000	$ 59,487,000
Long-term debt	62,639,000	69,349,000
Convert subord deben	57,500,000	57,500,000
Deferred income	3,108,000	3,671,000
Deferred inc taxes	978,000	1,288,000
Other liabilities	5,476,000	4,048,000
+Common stock	11,447,000	11,295,000
Add paid-in capital	30,536,000	29,674,000
Retained earnings (deficit)	(18,839,000)	(20,996,000)
For curr translation	(1,572,000)	(3,325,000)
Total Liabilities & Shareholders' Equity	$ 217,532,000	$ 211,991,000

* At lower of cost (principally FIFO) or market.

Less accumulated depreciation

+ $1 par value

Statistical Summary

% Income bef Taxes to Sales	1.14	—
% Net Income to Sales	0.94	—
% Net Income to Equity	10.00	—
Debt to Equity	6.84	5.69
Working Capital	$ 25,889,000	$ 23,229,000
Current Ratio	1.39	1.39
Shareholders' Equity	$ 21,572,000	$ 16,648,000

Interpoint Corporation

(formerly Integrated Circuits Incorporated)

10301 Willows Road
P.O. Box 97005
Redmond, Washington 98073-9705
(206) 882-3100
FAX (206) 869-7402

Interpoint Corporation

Officers: Phillip C. Linwick, chairman & founder; Donald T. Baughman, v.p.-power product sales; Peter H. van Oppen, president & chief executive officer; Barry D. McLaren, v.p.-custom hybrid engineering; Russell F. McNeill, secretary; Milton A. Woods, sr. v.p.; Melvin O. Eide, v.p.-research & development; Barry W. Brugman, v.p.-sales & marketing; J. T. Montgomery, sr. v.p. operations; David A. Uvelli, v.p.-power products marketing; Leslie S. Rock, v.p.-finance; Andy Y. Young, v.p. & gen. mgr.; Daniel J. Renn, v.p.-product development.

Directors: Walter P. Kistler, Ross W. Anderson, Martin Bucksbaum, Phillip C. Linwick, Russell F. McNeill, James R. Teeple, Peter H. van Oppen, Milton A. Woods, Christopher T. Bayley, John W. Stanton.

Areas of Work: Designs, manufactures and markets both custom and proprietary (standard) hybrid microcircuit products for the electronics industry. These microcircuits are used commercially in memory systems, industrial controls, testing equipment, computers and computer peripherals and medical electronics equipment. Aerospace applications range from aircraft instrumentation power supplies to research uses in satellites.

Subsidiaries:

Micra Corp.

Designs, manufactures and sells custom hybrid microcircuits used primarily in military aerospace and avionics.

Micra Taiwan Corp.

Transfer Agent(s):

First Interstate Bank of Washington, N.A.
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTP (NASDAQ)

Number of Employees:

1990	454	1987	286
1989	433	1986	290
1988	281		

Plant Footage:

1990	40,000 sq. ft.	1987	40,000
1989	40,000	1986	40,000
1988	40,000		

Sales & Earnings

	Net Sales	Net Income †
1990	$ 27,804,000	$ 410,000
1989	28,022,000	780,000
1988	24,807,000	493,000
1987	24,831,000	610,000
1986	24,744,000	1,124,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	2,417,000	$ 0.17
1989	2,431,000	0.32
1988	2,315,000	0.21
1987	2,314,000	0.26
1986	2,314,000	0.49

† Including extraordinary loss of $53,864 ($0.02 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 8,959,000	$ 3.71
1989	8,617,000	3.54
1988	7,863,000	3.40
1987	7,351,000	3.18
1986	6,636,000	2.87

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Oct. 31	1990	1989
Net sales	$ 27,804,717	$ 28,021,546
Cost of sales	19,299,614	18,085,860
Expenses	6,747,079	8,126,278
Integration charge	532,500	—
Interest expense	741,106	707,730
Interest income	(281)	(39,853)
For. curr. trans. losses	3,883	47,887
Eq. in inc. of affil.	(34,852)	—
Income bef. taxes	$ 515,668	$ 1,093,644
Income taxes	105,370	483,711
Cum. effect of acct. change	—	(169,700)
Net Income	$ 410,298	$ 779,633

* Included in Cost and Expenses, Depreciation and Amortization: $1,180,852 in 1990 and $1,297,859 in 1989.

Assets

As of Oct. 31	1990	1989
Cash	$ 102,125	$ 212,111
Accts. receiv., net	5,687,143	5,551,857
Inc. tax deposit refund	110,851	—
• Inventories	6,315,860	4,937,989
Deferred inc. taxes	—	89,000
Prepaid expenses	272,113	333,565
Current Assets	$ 12,488,092	$ 11,124,522
# Fixed assets	8,611,422	8,937,031
Invest. in common stock	939,052	—
Unamort. bond costs	776,166	119,725
Total Assets	$ 22,814,732	$ 20,181,278

Liabilities

Long-term debt., curr.	$ 1,053,418	$ 801,297
Loans payable	2,050,000	439,963
Accts. payable	1,486,361	1,497,761
Inc. taxes pay.	—	556,634
Accrued payroll	892,873	1,196,438
Accrued vacations	424,172	396,978
Accrued taxes	77,365	57,501
Accrued interest	49,614	38,112
Other accruals	86,194	108,425
Def. inc. taxes	26,000	—
Curr. Liabilities	$ 6,145,997	$ 5,093,109
Long-term debt	6,118,869	5,430,162
Accrued retire. benefits	1,013,234	293,151
Deferred inc. taxes	578,000	748,000
· Common stock	3,257,137	3,258,894
Retained earnings	5,477,111	5,066,813
Cum. trans. adjust.	224,384	291,149
Total Liabilities & Shareholders' Equity	$ 22,814,732	$ 20,181,278

• At lower of cost (FIFO) or market
Less accumulated depreciation
· No par value

Statistical Summary

% Income bef. Taxes to Sales	1.85	3.90
% Net Income to Sales	1.48	2.18
% Net Income to Equity	4.58	7.08
Sales to Inventories	4.40	5.67
Debt to Equity	1.03	0.77
Working Capital	$ 6,342,095	$ 6,031,413
Current Ratio	2.03	2.18
Shareholders' Equity	$ 8,958,632	$ 8,616,856

Ionics, Incorporated

65 Grove Street
Watertown, Massachusetts 02172
(617) 926-2500
FAX: (617) 926-4304

Officers: Arthur L. Goldstein, chairman of the board, president & chief executive officer; Averell E. Daniell, chairman emeritus; William E. Katz, exec. v.p.; Robert J. Halliday, v.p.-finance & accounting; Carl J. McCurdy, exec. v.p.; Theodore G. Papastavros, vice president-strategic planning & treasurer; Walter J. Polens, vice president-household water conditioning; William B. Iaconelli, vice president-separations technology; Kachig Kachadurian, vice president-water systems; Joseph M. Loftis, vice president-fabricated products; Stephen Korn, v.p., gen. counsel and clerk.

Directors: William E. Katz, Arnaud de Vitry d'Avaucourt, Averell E. Daniell*, Arthur L. Goldstein*, Robert B. Luick, Lawrence E. Fouraker, Carl J. McCurdy, Samuel A. Goldblith*, John J. Shields, K. Kachadurian.

* Member of the Executive Committee

Areas of Work: The principal business of the company involves the development, manufacture and sale of products, systems and services for the desalination, processing, measurement and treatment of water and other liquids, principally utilizing separations technology and related methods.

Divisions and Subsidiaries:

Ionics, Incorporated
Bridgeville, Pennsylvania

Global Water Services, S.A.
Panama City, Panama

Walben Industries
Sprigfield, Massachusetts

Watlington-Waterworks Limited (23% owned)
Devonshire, Bermuda

Ionics Iberica, S.A.
Grand Canary, Spain

General Ionics, Inc.
3380 Cavalier Trail
Cuyahoga Falls, Ohio 44224
Home water softener dealership.

Ionics Ultrapure Water Corporation
Campbell, California
Services ultrapure water systems for the electronics, pharmaceutical and power industries in northern California and the Southwest.

Yuasa-Ionics Co. Ltd. (50% owned)
No. 12-11, 2-Chome
Higashi-Shinbashi
Minato-ku, Tokyo 105 Japan
Supplies pollution abatement products in Japan and the Far East.

Ionics Italba, S.p.A.
Via Mauro Macchi 26
20124 Milan, Italy
Design and construction of water and waste treatment plants in Europe.

Ionics, Inc.
Hong Kong

Ionics (UK) Ltd
London, England

Aqua Cool Saudi Arabia (40% owned)
Damman, Saudi Arabia

Jalal-Ionics, Ltd (40% owned)
Manama, Bahrain

Osmomar, S.A
Grand Canary, Spain

Ionics (Bermuda) Ltd
Hamilton, Bermuda

Elite Chemicals Pty. Ltd. (63.8% owned)
Brisbane, Qld., Australia
Production of specialty chemicals

Ionics Pure Solutions
Phoenix, Arizona
Sale and service of ultrapure water systems for the electronics and pharmaceutical industries

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: ION

Number of Employees:

1990	1,000	1988	800
1989	900		

Sales & Earnings

	Revenues	Net Income
1990	$ 128,408,000	$ 4,727,000
1989	108,915,000	3,590,000
1988	88,241,000	2,482,000
1987	74,679,000	1,869,000
1986	64,613,000	952,000

	No. of Com. Shares	Earn. per Share ‡
1990	4,172,020	$ 1.10
1989	4,144,626	0.85
1988	4,116,388	0.64
1987	3,582,394	0.50
1986	3,696,526	0.25

‡ Based on the weighted average number of common shares and common share equivalents outstanding-adjusted.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 75,614,000	$ 18.12
1989	68,102,000	16.43
1988	63,723,000	15.48
1987	51,714,000	14.44
1986	49,814,000	13.48

Income Account *

Year ended Dec. 31	1990	1989
Net revenues	$ 128,408,000	$ 108,915,000
Cost of sales	85,114,000	70,105,000
Res., develop., & eng. exp.	2,568,000	2,352,000
Adm., sell., & other exp.	31,363,000	28,178,000
Interest expense	3,978,000	3,211,000
Equity income	(1,057,000)	(241,000)
Income before taxes	$ 6,442,000	$ 5,310,000
Income taxes	1,610,000	1,434,000
Minority interest	105,000	286,000
Net Income	$ 4,727,000	$ 3,590,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,165,000 in 1990 and $6,406,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 3,009,000	$ 1,474,000
Short-term invest.	936,000	6,608,000
Notes receiv., curr.	2,707,000	3,525,000
Accts. receiv., net	42,135,000	38,070,000
Receiv. from affil. cos.	1,168,000	630,000
*Inventories	14,380,000	14,064,000
Other curr. assets	2,237,000	2,647,000
Current Assets	$ 66,572,000	$ 67,018,000
Investments in affil. cos.	3,720,000	1,848,000
Notes receiv.	5,759,000	4,933,000
#Fixed assets	65,247,000	58,733,000
Other assets	2,461,000	2,344,000
Total Assets	$ 143,759,000	$ 134,874,000

Liabilities

	1990	1989
Notes pay. & long-term debt, curr.	$ 25,439,000	$ 22,015,000
Accts. payable	13,232,000	9,983,000
Customer deposits	3,607,000	5,212,000
Accrued commissions	936,000	925,000
Other accruals	7,217,000	4,992,000
Income taxes	1,285,000	1,706,000
Curr. Liabilities	$ 51,716,000	$ 44,833,000
Long-term debt & notes pay.	8,027,000	14,419,000
Deferred inc. taxes	6,355,000	5,591,000
Other liabilities	2,047,000	1,929,000
+Common stock	4,172,000	4,145,000
Add. paid-in capital	26,421,000	26,149,000
Retained earnings	40,669,000	35,942,000
Cumulative trans. adj.	4,352,000	1,866,000
Total Liabilities & Shareholders' Equity	$ 143,759,000	$ 134,874,000

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1990	1989
% Income before Taxes to Revenues	5.02	4.88
% Net Income to Revenues	3.68	3.30
% Net Income to Equity	6.25	5.27
Debt to Equity	0.44	0.53
Working Capital	$ 14,856,000	$ 22,185,000
Current Ratio	1.29	1.49
Shareholders' Equity	$ 75,614,000	$ 68,102,000

IRT Corporation

3030 Callan Road
San Diego, California 92121
(619) 450-4343
FAX: (619) 450-9994

Mailing Address:
P.O. Box 85317
San Diego, California 92138

Officers: Clifford V. Brokaw, III, chairman; John W. Battin, president & chief executive officer; Edward W. Soron, sr. v.p. & gen. mgr.; Terry A. Deane, sr. v.p.-manufacturing; Vicki L. Foote, sr. v.p.-finance & administration & chief financial officer; Daniel M. Whalen, sr. v.p.-major programs; Ronald W. Lindell, sr. v.p. & gen. mgr.; James T. Dooley, v.p.-finance, treasurer & chief accounting officer; Jeffrey S. Cohen, secretary.

Directors: Clifford W. Brokaw, III, Stanley W. Hubbel, Robert P. Scherer, Jr., John P. Thompson, John W. Battin, William P. Moyles, Jacques Vallee.

Areas of Work: Develops and manufactures inspection and process monitoring systems, including integrated systems for electronics, automotive, aerospace, and defense applications. The company also operates a commercial radiation processing facility which provides high-energy electron beam processing for a number of commercial applications.

Divisions:

National Security
Electronic Systems
Automated Systems

Subsidiaries:

Ridge, Inc.
Automated inspection products

Transfer Agent(s):

Manufacturers Hanover Trust Co. of California
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: IX

Number of Employees:

1991	157	1988	N.A.
1990	159	1987	N.A.
1989	156		

Plant Footage:

1991	92,130 sq. ft.	1988	N.A.
1990	82,130	1987	N.A.
1989	87,000		

N.A. - Not Available

Sales & Earnings

	Revenues +	Net Income
1991	$ 20,173,000	$ 630,000
1990	19,263,000	1,694,000
1989	13,742,000	(3,218,000)
1988	16,179,000	(12,319,000)
1987	20,834,000	(576,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1991	5,296,398	$ 0.08
1990	5,371,292	0.31
1989	4,926,785	—
1988	4,805,264	—
1987	4,468,430	—

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Products	$ 15,151,000	$ 14,384,000
Services	5,022,000	4,879,000
Total	$ 20,173,000	$ 19,263,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1991	$ 251,000	$ 0.05
1990	(3,771,000)	—
1989	(5,606,000)	—
1988	(2,595,000)	—
1987	6,700,000	1.50

(Deficiency)
‡ Based on the weighted average number of shares outstanding.

IRT Corporation

Income Account*

Year ended March 31	1991	1990
Revenues		
Products	$ 15,151,000	$ 14,384,000
Services	5,022,000	4,879,000
Total revenues	$ 20,173,000	$ 19,263,000
Cost of revenues	10,160,000	9,906,000
Expenses	8,632,000	7,101,000
Interest expense	667,000	1,188,000
Other expense (income)	64,000	(960,000)
Income before taxes	$ 650,000	$ 2,208,000
Income taxes	20,000	35,000
Inc.-cont. oper	$ 630,000	$ 1,993,000
Loss-discont. oper	—	(299,000)
Net Income	$ 630,000	$ 1,694,000

* Included in Costs and Expenses, Depreciation and Amortization: $961,000 in 1991 and $993,000 in 1990

Assets

As of March 31	1991	1990
Cash	$ 60,000	$ 176,000
Receiv., net	5,518,000	3,423,000
*Inventories	3,260,000	2,745,000
Prepaid expenses	214,000	108,000
Current Assets	$ 9,052,000	$ 6,452,000
#Fixed assets	3,960,000	3,681,000
Other assets	3,088,000	3,175,000
Total Assets	$ 16,100,000	$ 13,308,000

Liabilities

	1991	1990
Notes payable	$ 3,969,000	$ 5,000,000
Long-term debt, curr	79,000	154,000
Accts. payable & accruals	4,254,000	3,966,000
Deferred gains, curr	466,000	355,000
Curr. Liabilities	$ 8,768,000	$ 9,475,000
Sr. subord. promiss. note	5,000,000	5,000,000
Long-term debt	—	80,000
Deferred gains	2,081,000	2,524,000
+Common stock	530,000	529,000
Add. paid-in capital	15,042,000	11,675,000
Note receiv.-sale of stock	(115,000)	(115,000)
Retained earnings (deficit)	(15,456,000)	(15,860,000)
Total Liabilities & Shareholders' Equity	$ 16,100,000	$ 13,308,000

* At lower cost (FIFO) or market

# Less accumulated depreciation and amortization

+ $0.10 par value

Statistical Summary

	1991	1990
%Income bef. Taxes to Revenues	3.22	—
%Net Income to Revenues	3.12	—
Working Capital	$ 284,000	—
Current Ratio	1.03	—
Shareholders' Equity (Deficiency)	$ 251,000	$ (3,771,000)

Isomet Corporation

5263 Port Royal Road
Springfield, Virginia 22151
(703) 321-8301
FAX: (703) 321-8546

Officers: Henry Zenzie, president; Leon Bademian, exec. v.p.-operations; Jerry W. Rayburn, exec. v.p.-finance; Robert G. Bonner, v.p.-components manufacturing; Frank V. Hamby, v.p.-systems manufacturing; Delmar R. Radar, v.p.-product engineering; Lee R. Marks, secretary

Directors: Henry Zenzie, Thomas P. Meloy, Leon Bademian, Jerry W. Rayburn, Lee R. Marks

Areas of Work: Engaged in the design and production of laser accessory components and opto-electronic instruments employing synthetic crystals.

Subsidiaries:

Isomet Japan, K.K.
3-6 Minami-Suna
3-Chome
Koto-ku, Tokyo, Japan
Manufactures accousto-optic devices for the Japanese and other markets.

Isomet Laser Systems, Ltd.
18 John Baker Close
Llantarnam Industrial Park
Cwmbran, Gwent NP44 3AX, United Kingdom
Conducts laser systems research and development and assembly.

Printing Developments Isomet, Ltd.
18 John Baker Close
Llantarnum Industrial Park
Cwmbran, Gwent NP44 3AX, United Kingdom
Markets and services graphic arts equipment in Europe.

Transfer Agent(s):

Crestar Bank
Box 26665
Richmond, Virginia 23261

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IOMT (NASDAQ)

Number of Employees:

1990	74	1987	84
1989	81	1986	78
1988	87		

Plant Footage:

1990	29,284 sq. ft.	1987	28,524
1989	29,284	1986	28,524
1988	29,674		

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 7,959,423	$ (595,963)
1989	7,802,203	52,646
1988	9,576,979	1,112,175
1987	8,584,000	729,485
1986	6,293,000	10,723

	No. of Com Shares #	Earn per Share ‡ #
1990	1,897,982	$ —
1989	2,023,693	0.03
1988	1,997,044	0.56
1987	1,895,715	0.38
1986	1,895,715	0.02

(Loss)

‡ Including extraordinary gain of $36,966 ($0.02 per share) in 1986

# Based on the weighted average number of shares outstanding

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 4,286,395	$ 2.26
1989	4,803,047	2.37
1988	4,749,438	2.38
1987	3,623,627	1.91
1986	2,912,100	1.54

‡ Based on the weighted average number of shares outstanding

Income Account*

Year ended Dec. 31	1990	1989
Revenue:		
Net sales	$ 7,959,423	$ 7,802,203
Interest income	12,960	41,953
Other income (loss)	39,884	(2,158)
Total income	$ 8,012,267	$ 7,841,998
Cost of sales	5,181,542	4,187,706
Expenses:		
Selling	632,427	769,930
Gen. & adm.	1,889,814	2,012,229
Res. & develop.	552,778	612,453
Interest expense	352,235	265,824
Distributor default loss	416,332	—
Loss before taxes	$ (1,012,861)	$ (6,144)
Tax credit	(387,181)	(86,268)
Minority interest	(29,717)	27,478
Net Income (Loss)	$ (595,963)	$ 52,646

* Included in Costs and Expenses, Depreciation and Amortization: $197,115 in 1990 and $211,114 in 1989.

Assets

As of Dec. 31	1990	1989
Cash	$ 383,117	$ 331,596
Restricted cash		303,427
Accts. receiv., net	2,284,888	1,608,174
Other receiv.	65,207	21,099
Refund. inc. taxes	432,512	—
Precious metals	255,628	252,743
*Inventories	4,883,371	4,939,320
Prepaid expenses	100,816	119,833
Current Assets	$ 8,405,539	$ 7,576,192
#Fixed assets	812,555	932,994
Other assets	78,858	77,049
Total Assets	$ 9,296,952	$ 8,586,235

Liabilities

	1990	1989
Notes payable	$ 2,986,435	$ 1,970,274
Cap. lease oblig., curr	31,585	27,995
Accts. payable	944,032	547,271
Accruals	623,035	534,773
Income taxes payable	1,421	53,547
Customer advances	19,954	56,500
Deferred inc. taxes	12,877	3,534
Curr. Liabilities	$ 4,619,339	$ 3,193,894
Long-term debt	187,500	324,274
Cap. lease oblig.	195,583	227,168
Minority interest	8,135	37,852
+Common stock	1,898,590	1,897,090
Add. paid-in capital	4,215,933	4,188,768
Unamort. def. compensation from stock options	(282,586)	(292,500)
Deficit	(1,417,737)	(821,774)
For. curr. trans. adj.	(127,805)	(168,537)
Total Liabilities & Shareholders' Equity	$ 9,296,952	$ 8,586,235

* Inventories of parts are stated at cost (FIFO), which does not exceed market. Work-in-process and finished goods at lower of standard costs or market.

# Less accumulated depreciation and amortization

+ $1 par value

Statistical Summary

	1990	1989
%Income bef. Taxes to Sales	—	—
%Net Income to Sales	—	0.67
%Net Income to Equity	—	1.10
Sales to Inventories	1.63	1.58
Debt to Equity	0.79	0.53
Working Capital	$ 3,786,200	$ 4,382,298
Current Ratio	1.82	2.37
Shareholders' Equity	$ 4,286,395	$ 4,803,047

Itel Corporation

Two North Riverside Plaza
Suite 1950
Chicago, Illinois 60606
(312) 902-1515
FAX: (312) 902-1573

Officers: Samuel Zell, chairman; Rod F. Dammeyer, president; James E. Knox, sr. v.p.-general counsel & secretary; Gary M. Hill, sr. v.p.-finance; William G. Wolfe, v.p.-taxes; Scott H. Williamson, v.p.-acquisitions and development; Timothy J. Croasdaile, v.p.; Jack P. Edwards, pres.-Itel Transportation Services; John A. Pigott, pres. & CEO-Anixter Bros., Inc.; Bruce Van Wagner, chairman-Anixter Bros., Inc. & Anixter International; DeWitt D. Barlow, III, pres. & CEO-Great Lakes Dredge & Dock; Desmond P. Hayes, pres. & CEO-Itel Rail Corporation; Philip C. Kantz, pres. & CEO-Itel Container Corporation; Richard J. Price, pre. & CEO-Itel Distribution Systems; Eben Moulton, pres. & CEO-Signal Capital Merchant Banking.

Directors: Samuel Zell, chairman; Bernard F. Brennan, William A. Buzick, Jr., Rod F. Dammeyer, F. Philip Handy, Harold Haynes, Jack P. Edwards, Jerome Jacobson, Melvyn N. Klein, John R. Petty, John A. Pigott, James D. Woods, Sheli Z. Rosenberg.

Areas Of Work: Through Anixter Bros., Inc., a wholly owned subsidiary, the Company distributes, and to a lesser extent, manufactures products which use wire and cable as a principal component or which are used in the transmission of telephone communications or electricity. Specific products include telephone transmission components, modular central office structures to house electronic switching systems, electrical wiring harnesses and cable assemblies for use on appliances and vehicles, lights and switches primarily for military vehicles, battery booster cables and other power supply cords, microwave antennas for telephone and radio communications, and distribution equipment such as switchboards and power panels.

Divisions and Subsidiaries:

Anixter Bros., Inc.
4711 Golf Road
One Concourse Plaza
Skokie, Illinois 60076
(312) 677-2600

Great Lakes Dredge & Dock
Oak Brook, Illinois
(312) 574-3000
Heavy marine construction, primarily dredging.

Itel Rail Corporation
San Francisco, California
(415) 984-4000
Rail operations, including railcar leasing and ownership of four shortline railroads.

Itel Transportation Services
San Francisco, California
(415) 984-4000

Itel Distribution Systems
San Francisco, California
(415) 984-4000

Quadrum, S.A. de C.V.
Mexico
Company is engaged in rail car leasing, financial services and telecommunications equipment.

Transfer Agent(s):

Manufacturers Hanover Trust Company of California
50 California Street, 10th Floor
San Francisco, California 94111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ITEL (NASDAQ)

Number of Employees:

1990	N.A.	1988	6,800
1989	8,200		

N.A.-Not Available

Sales & Earnings

	Revenues +	Net Income †
1990	$ 1,976,500,000	$ 132,400,000
1989	1,864,000,000	29,900,000
1988	1,419,100,000	24,800,000
1987	1,115,500,000	8,300,000
1986	195,500,000	55,700,000

	No. of Com. Shares	Earn. per Share † ‡
1990	39,080,000	$ 2.68
1989	48,800,000	0.47
1988	48,790,000	0.44
1987	26,530,000	—
1986	18,290,000	2.77

+ Of continuing operations only.
† Including extraordinary gain of $57,800,000 ($3.21 per share) in 1986 and extraordinary loss of $7,300,000 in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Rail	$ 471,100,000	$ 427,600,000
Distr. of wiring syst. prods.	1,308,200,000	1,234,800,000
Dredging	197,200,000	201,600,000
Total	$ 1,976,500,000	$ 1,864,000,000

Common Stock Equity

	Total Equity †	Equity Per Share
1990	$ 652,100,000	$ 16.68
1989	756,300,000	15.49
1988	688,900,000	14.11
1987	275,700,000	10.39
1986	149,300,000	8.16

† After allowing for preferred stock at stated value

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Revenues	$ 1,976,500	$ 1,864,000
Cost of sales	994,000	942,600
Oper. expense	213,700	174,600
Contract costs	150,700	137,900
Marketing & adm.	329,700	299,700
Maintenance expense	79,500	69,200
Interest expense	235,800	230,000
Interest income	(30,200)	(24,100)
Amort. of intangibles	11,300	10,300
Non-recurring items	31,700	—
Inc. (loss) bef. taxes	$ (39,700)	$ 23,800
Income taxes (credit)	(6,900)	24,800
Loss-cont. oper.	$ (32,800)	$ (1,000)
Inc.-discont. oper.	165,200	30,900
Net Income	$ 132,400	$ 29,900

* Included in Costs and Expenses, Depreciation and Amortization: $88,500,000 in 1990 and $82,000,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 56,100	$ 22,600
Accts. receiv., net	310,800	303,000
*Inventories	325,400	281,300
Other curr. assets	49,500	37,200
Current Assets	$ 741,800	$ 644,100
#Fixed assets	1,393,900	1,387,200
Intangibles	346,600	338,400
Discont. assets held for sale	257,400	500,100
Investment in eq. secur.	366,500	554,900
Investment in Quadrum	49,000	46,600
Investment in APC	114,500	111,100
Other receiv.	104,300	109,800
Other assets	68,500	60,000
Total Assets	$ 3,442,500	$ 3,752,200

Liabilities
(000's)

Long-term debt, curr.	$ 91,500	$ 69,700
Accts. payable	191,300	165,900
Accruals	215,400	223,200
Curr. Liabilities	$ 498,200	$ 458,800
Long-term debt	2,141,500	2,399,400
Other liabilities	67,800	55,200
+Preferred stock-Series C	82,900	82,500
++Common stock	39,100	49,800
Add. paid-in capital	565,100	710,700
Retained earnings	190,500	64,300
Cum. trans. adjust.	7,400	3,100
Treasury stock	—	(16,000)
Warrant note receiv.	(15,000)	(17,800)
Val. allow for eq. secur.	(135,000)	(37,800)
Total Liabilities & Shareholders' Equity	$ 3,442,500	$ 3,752,200

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value; $3.375 cumulative convertible.
++ $1 par value.

Statistical Summary

% Net Income to Equity	18.01	3.56
Debt to Equity	3.04	2.94
Working Capital	$ 243,600,000	$ 185,300,000
Current Ratio	1.49	1.40
Shareholders' Equity	$ 735,000,000	$ 838,800,000

ITT Corporation

1330 Avenue of the Americas
New York, New York 10019-5490
(212) 258-1000
FAX: (212) 258-1027

Officers: Rand V. Araskog, chairman, president & chief executive officer; D.R. Comey, exec. v.p.; M. Cabell Woodward, Jr., vice chairman of the board & chief financial officer; Howard J. Aibel, exec. vice president and general counsel; Daniel F. Lundy, sr. v.p.-taxes; George P. Scurria, Jr., sr. v.p. & treasurer; Raymond H. Alleman, sr. v.p. & controller; Juan C. Cappello, sr. v.p. & dir.-corporate relations; Daniel P. Weadock, exec. v.p. & chairman-ITT COINS; Robert E. Laws, sr. v.p. & chairman-ITT Financial Corporation; John J. Foley, sr. v.p. & dir.-operations staff; Ralph W. Pausig, sr. v.p. & dir.-administration; Raymond J. Gill, sr. v.p. & president-ITT Fluid Technology Corporation; Hubertus Von Grüenberg, sr. v.p. & pres.-ITT Automotive, Inc.; Heinz F. Roessle, sr. v.p. & pres.-ITT Electronic Components, Inc.; Robert S. Shfka, sr. v.p.; D. Travis Engen, sr. v.p. & pres.-ITT Defense Technology Corporation; Samuel L. Simmons, sr. v.p. & dir.-corp. development; Gwenn L. Carr, v.p. & secretary.

Directors: Bette B. Anderson*, Margita E. White*, M. Cabell Woodward, Jr., S. Parker Gilbert, Nolan D. Archibald, Edward C. Meyer*, Rand V. Araskog*, Thomas W. Keesee, Jr.*, Michel David-Weill*, Andrew T. Dwyer, Paul G. Kirk, Jr., C. Robert Powell*, Robert A. Burnett*, Benjamin F. Payton*

* Member of the Executive Committee

Areas of Work: ITT Corporation is a diversified multinational enterprise engaged principally in nine product and service businesses: Automotive, Electronic Components, Fluid Technology, Defense, Pulp and Timber, Insurance, Finance, Communication and Information Services, Hotels, and has an interest in Alcatel N.V., a telecommunications equipment manufacturing company.

ITT Corporation

Divisions and Subsidiaries:

ITT Corporation ("ITT")-Delaware
Federal Electric Corporation - Delaware
ITT Power Systems Corporation
ITT Higbie
ITT Hancock
ITT Cannon
ITT Standard
ITT Bell & Cossett
ITT Barton Instruments
ITT Defense Inc
ITT Gilfillan
ITT Defense Communications
ITT Avionics
ITT Community Development Corporation-Delaware
ITT Lester Industries, Inc.-Ohio
ITT World Directoris, Inc.-Delaware
ITT Sheraton Corporation-Delaware

ITT Holdings Inc. ("ITT Holdings")-Delaware
ITT Canada Limited ("Canada")-Canada
ITT Industries of Canada Limited-Canada
ITT Industries, Inc. ("ITTI")-Delaware
ITT Gesellschaft fur Beteiligugen m.b.H ("ITTG")-Germany
Deutche ITT Handelsgesellschaft m.b.H.-Germany
Transatlantische Rueckversicherungs
AG ("Granstl")-Germany
SWF Spezialfabrik fur Autozubehor Gustav Rau G.m.b.H.-Germany
SWF Auto-Electric Gmbh-Germany
Alfred Teves G.m.b.H. ("Teves")-Germany
ITT Regelungst. :hnik Verwaltungs G.m.b.H. (ITTR)-Germany
Reiss International-Germany
ITT Svenska AB ("Svenska")-Sweden
Flygt Aktiebolag-Sweden
ITT Rayonier Incorporated ("Rayonier")-Delaware

International Standard Electric Corporation ("ISEC")-Delaware
ITT Netherlands, Inc. ("ITTN")-Delaware
ITT (United Kingdom) Limited-New York
Koni B.V.-Netherlands

ITT Communications and Information Services, Inc., ("COINS")-Delaware
Alcatel N.V. (30% interest)

SIGNIFICANT INSURANCE AND FINANCE SUBSIDIARIES:

Hartford Fire Insurance Company ("Hartford")-Connecticut
Excess Insurance Group Limited-England
Hartford Accident & Indemnity Company-Connecticut
Hartford Life and Accident Insurance Co. ("HLAI")-Connecticut
ITT Life Insurance Corporation ("Life")-Wisconsin
Hartford Life Insurance Company ("HLIC")-Connecticut
Hartford Variable Annuity Life Insurance Company-Connecticut
ITT Financial Corporation ("ITTFC")-Delaware
Aetna Finance Company-Delaware
ITT Consumer Financial Corporation-Delaware
ITT Business Services Corporation (Mo.) ("ITTBSC")-Missouri
ITT Industrial Credit Company-Nevada
ITT Commercial Finance Corporation-Delaware
Lyndon Insurance Company-Wisconsin
ITT Lyndon Life Insurance Company-Missouri
ITT Lyndon Property Insurance Company-Missouri
ITT Federal Bank, F.S.B.
Kellogg Credit Corporation-Delaware

Transfer Agent(s):

Office of the Corporation
(common & preferred stock)
100 Plaza Drive
Secaucus, New Jersey 07096-0002

Dresdner Bank AG (common only)
Frankfurt-am-Main, Federal Republic of Germany

Stock Exchange(s): New York, Pacific, Amsterdam, Antwerp, Basel, Berne, Brussels, Geneva, Frankfurt, Lausanne, London, Paris, Tokyo, Vienna, Zurich

Ticker Symbol: ITT

Number of Employees:

1990	114,000	1987	120,000
1989	119,000	1986	123,000
1988	117,000		

Sales & Earnings

	Net Sales + (000's)	Net Income # (000's)
1990	$ 20,604,000	$ 958,000
1989	20,005,000	922,000
1988	19,306,000	817,000
1987	18,131,000	865,000
1986	16,214,000	477,000

	No. of Com. Shares	Earn. per Share #†
1990	114,000,000	$ 7.28
1989	123,000,000	6.52
1988	134,000,000	5.70
1987	136,000,000	6.41
1986	141,000,000	3.12

+ Includes other revenues and revenues from Insurance and Finance Subsidiaries; of continuing operations only.
# Including extraordinary loss of $45,733,000 ($0.30 per share) in 1986.
† Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1990	1989
Products:		
Automotive	$ 2,916	$ 2,645
Electronic components	1,110	1,087
Fluid technology	1,057	960
Defense technology	1,612	1,580
Forest products	1,118	1,102
Diversified services:		
Insurance oper.	8,836	8,689
Financial serv.	1,896	1,806
Communications & information serv.	973	754
Hotels	832	782
Total segments	$ 20,350	$ 19,405
Dispositions	254	600
Total sales & revenues	$ 20,604	$ 20,005

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.63	—	—
1989	1.51	—	—
1988	1.3075	—	—
1987	1.0625	—	—
1986	1.00	—	—

Common Stock Equity

	Total Equity + (000's)	Equity Per Share
1990	$ 7,308,000	$ 64.01
1989	6,803,000	55.42
1988	7,527,000	56.33
1987	7,078,000	52.11
1986	6,348,000	44.91

+ After allowing for preferred stock at aggregate liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Sales & revenues	$ 20,604,000	$ 20,005,000
Costs & expenses:		
Products & services	8,134,000	7,666,000
Sell. & gen. exp.	962,000	917,000
Insurance	8,553,000	8,364,000
Finance	1,868,000	1,616,000
Other	133,000	137,000
Equity in earn. of Alcatel N.V.	(213,000)	(167,000)
Gain on sale of 7% of Alcatel	(253,000)	—
Interest expense	124,000	211,000
Other expense (income)	(89,000)	17,000
Income before taxes	$ 1,385,000	$ 1,244,000
Income taxes	268,000	254,000
Minority equity	61,000	63,000
Inc.-cont. oper.	$ 1,056,000	$ 927,000
Loss-discont. oper.	(98,000)	(5,000)
Net Income	$ 958,000	$ 922,000

* Included in Costs and Expenses, Depreciation and Amortization: $506,000,000 in 1990 and $480,000,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 498,000	$ 616,000
Finance receiv., net	9,080,000	8,732,000
Other receiv., net	4,112,000	4,216,000
*Inventories	1,294,000	1,324,000
Invest. in Alcatel N.V.	1,705,000	1,810,000
Insurance investments	21,145,000	19,032,000
Finance investments	2,167,000	1,709,000
Deferred policy acq. costs	1,131,000	1,062,000
#Fixed assets	4,033,000	3,443,000
Other assets	3,878,000	3,381,000
Total Assets	$ 49,043,000	$ 45,325,000

Liabilities
(000's)

Policy liab. & accruals	$ 20,822,000	$ 18,531,000
Finance debt	9,529,000	8,475,000
Other debt	3,785,000	3,839,000
ESOP debt	692,000	699,000
Accts. pay. & accruals	3,348,000	3,202,000
Other liabilities	2,321,000	2,522,000
+Preferred stock	973,000	977,000
++Common stock	114,000	123,000
Add. paid-in capital	—	204,000
Deferred comp. - ESOP	(680,000)	(697,000)
Retained earnings	8,087,000	7,629,000
Unrealized gain (loss) on equity securities	(39,000)	50,000
Cum. trans. adjust.	91,000	(229,000)
Total Liabilities & Shareholders' Equity	$ 49,043,000	$ 45,325,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.
++ $1 par value.

Statistical Summary

% Net Income to Equity	11.21	11.44
Debt to Equity	1.64	1.62
Shareholders' Equity	$ 8,546,000,000	$ 8,057,000,000

Jetronic Industries, Inc.

4200 Mitchell Street
Philadelphia, Pennsylvania 19128
(215) 482-7660
FAX (215) 482-3323

Officers: Daniel R. Kursman, chairman of the board, president and treasurer; Jerome I. Kursman, vice president and secretary; Garth E. Bower, group v.p.; Leonard W. Pietrzak, vice president-finance; Peter J. Kursman, president-The Levin Companies.

Directors: Daniel R. Kursman, chairman; Jerome I. Kursman, Peter Kursman, Herbert Myers, William L. Weiss, Garth E. Bower, David Silverman.

Areas of Work: Engaged in the design, manufacture, and sale of electronic communication and navigation equipment and the manufacture and sale of power supplies, circuit boards, and instrumentation systems. Also involved in the retail sale of furniture and major appliances.

Divisions and Subsidiaries:

Transchem Division
3667 Birch Street
Newport Beach, California 92660

Produces multilayer laminated rigid and flexible etched circuit boards, primarily for the computer and aerospace industries, precision power systems, tactical intercommunication systems, instrumentation system and ground support/checkout systems.

Harry Levin, Inc.
Philadelphia, Pennsylvania

Engaged in the retail furniture and appliance business in the Philadelphia, Pennsylvania area.

Ray Jefferson Division
4200 Mitchell Street
Philadelphia, Pennsylvania 19128

Development of marine electronic communication and navigation equipment and accessory instruments for commerical and leisure use, including marine radio telephones, radio direction finders, and marine antennas.

Redco, Inc.

Manufactures and markets control panels and switchgear primarily for use in diesel power electrical generators.

Transfer Agent(s):

Continental Stock Transfer Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: JET

Number of Employees:

1990	500	1987	681
1989	500	1986	750
1988	523		

Plant Footage:

1990	N.A.	1987	367,000
1989	272,000 sq. ft.	1986	367,000
1988	272,000		

N.A.-Not Available

Sales & Earnings

	Revenues †	Net Income +
1990	$ 45,750,000	$ (1,303,000)
1989	46,107,000	(173,000)
1988	47,563,000	(5,337,000)
1987	45,181,000	1,007,000
1986	37,821,000	1,510,000

	No. of Com. Shares ‡	Earn. per Share +‡
1990	2,457,000	$ —
1989	2,457,000	—
1988	2,457,000	—
1987	2,457,000	0.41
1986	2,454,000	0.62

(Loss)
† Of continuing operations only.
+ Including extraordinary gains of $37,000 in 1990 and $68,000 in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues by Line of Business
(000's)

	1990	1989
Electronic communication & navigation equipment	$ 10,584	$ 10,619
Energy conversion products group	24,543	21,436
Retail furniture & appliances	10,623	14,052
Total	$ 45,750	$ 46,107

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	10%	—
1986	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 5,636,000	$ 2.29
1989	6,939,000	2.82
1988	7,183,000	2.92
1987	12,432,000	5.06
1986	11,298,000	4.60

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account*

Year ended Jan. 31	1990	1989
Net sales	$ 44,766,000	$ 45,045,000
Other income	984,000	1,062,000
Total income	$ 45,750,000	$ 46,107,000
Cost of sales	34,679,000	34,870,000
Expenses	8,979,000	10,165,000
Prov. for doubtful accts.	119,000	324,000
Interest expense	1,693,000	1,649,000
Restruc. costs	—	631,000
Gain on prop. dispos.	—	(2,021,000)
Income before taxes	$ 280,000	$ 489,000
Income taxes	188,000	231,000
Income - cont. oper.	$ 92,000	$ 258,000
Loss - discont. oper.	(1,432,000)	(699,000)
Net Loss	$ (1,340,000)	$ (441,000)
Extraord. gain	37,000	68,000
Cum. effect of acct. change	—	200,000
Net Loss & extraord. gain	$ (1,303,000)	$ (173,000)

* Included in Costs and Expenses, Depreciation and Amortization $632,000 in 1990 and $721,000 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 886,000	$ 686,000
Accts. receiv. net	11,145,000	12,741,000
*Inventories	6,918,000	10,895,000
Prepaid expenses	1,049,000	1,270,000
Book value of subsid. to be sold	1,813,000	—
Current Assets	$ 21,811,000	$ 25,592,000
≠Fixed assets	2,087,000	2,479,000
Goodwill	1,181,000	1,121,000
Other assets	1,098,000	1,184,000
Total Assets	$ 26,177,000	$ 30,376,000

Liabilities

	1990	1989
Notes payable	$ 8,732,000	$ 10,542,000
Long-term debt. curr.	364,000	441,000
Accts. payable	2,050,000	3,397,000
Accrued payroll	206,000	314,000
Other accruals	2,306,000	1,972,000
Curr. Liabilities	$ 13,658,000	$ 16,666,000
Long-term debt	6,883,000	6,771,000
+Common-stock	246,000	246,000
Add. paid-in capital	9,473,000	9,473,000
Retained earnings (deficit)	(3,825,000)	(2,522,000)
Exercise of stock options	(258,000)	(258,000)
Total Liabilities & Shareholders' Equity	$ 26,177,000	$ 30,376,000

* At lower of cost (LIFO) or market; inventories of narrow fabrics and tapes stated at FIFO.
≠ Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1990	1989
Sales to Inventories	6.47	4.13
Debt to Equity	2.84	2.56
Working Capital	$ 8,153,000	$ 8,926,000
Current Ratio	1.60	1.54
Shareholders' Equity	$ 5,636,000	$ 6,939,000

John Fluke Mfg. Co., Inc.

6920 Seaway Boulevard
Everett, Washington 98203
(206) 347-6100
FAX: (206) 356-5116

P.O. Box C9090
Everett, Washington 98206

Officers: David S. Potter, Jr., chairman of the board; George M. Winn, president & chief executive officer; Ronald R. Wambolt, sr. v.p. & dir.-worldwide sales; John R. Smith, vice president & treasurer; Richard W. Van Saun, sr. v.p.-group manager, Service Equipment Group; George O. Trickell, v.p.-personnel & facilities; William R. Hoffman, v.p. & group mgr.-Philips T&M Group; Valentine C. Gersbach, v.p. & group mgr.-Calibration & Communications Group; Douglas G. McKnight, v.p., gen. counsel & secretary; David E. Katri, v.p. & group mgr.-Manufacturing/R & D group.

Directors: Richard B. Hooper*, James B. Scroggs*, John M. Fluke, Jr.*, N. Stewart Rogers*, George M. Winn*, David S. Potter, Philip M. Condit*, James E. Warjone, David L. Fluke, Stephen C. Tumminello, John D. Durbin.

* Member of the Executive Committee

Areas of Work: Designs, manufactures and sells commercial electronic test and measurement instruments and systems for scientific, educational, industrial and governmental applications. Products manufactured include digital voltmeters and multimeters, electronic counters, frequency synthesizers, digital thermometers, circuit board testers, data loggers, calibrators and standards, signal generators, automatic test systems, IEEE Bus Controllers and microsystem testers. Also sells and supports N.V. Philips' test and measurement instruments in North America and other selected markets. Products include oscilloscopes, logic analyzers, and electronic counters.

John Fluke Mfg. Co., Inc.

Subsidiaries:

Fluke International Corporation
P.O. Box C9090
Everett, Washington 98206

Fluke (Holland) B.V.

Fluke Foreign Sales Corporation (FSC)

Fluke Electronics Canada, Inc.,
Toronto, Ontario, Canada

Fluke Japan KK

Transfer Agent(s):

The First National Bank of Boston
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): American, Pacific

Ticker Symbol: FKM

Number of Employees:

1990	2,181	1987	2,409
1989	2,377	1986	2,500
1988	2,418		

Plant Footage:

1990	822,694 sq. ft.	1987	706,167
1989	706,167	1986	706,167
1988	706,167		

Sales & Earnings

	Net Sales	Net Income
1990	$ 233,839,000	$ 12,178,000
1989	247,695,000	23,151,000
1988	224,547,000	12,419,000
1987	206,328,000	2,005,000
1986	209,030,000	12,156,000

	No. of Com. Shares #	Earn. per Share #
1990	7,073,292	$ 1.72
1989	8,279,335	2.80
1988	9,210,732	1.35
1987	8,660,738	0.23
1986	9,358,655	1.30

Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.32	—	—
1989	0.20	—	—
1988	—	5%	—
1987	—	5%	—
1986	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 118,046,000 +	$ 16.27
1989	110,097,000 +	15.38
1988	132,371,000 +	14.71
1987	106,820,000	12.63
1986	124,248,000	13.23

+ After allowing for preferred stock at par value.
‡ Adjusted to reflect stock dividends.

Income Account*
(000's)

Year ended Sept. 30	1990	1989
Net sales	$ 233,839	$ 247,695
Cost of sales	121,183	125,674
Expenses	91,798	91,217
Employee benefit plans	5,487	7,718
Interest expense	554	586
Other expense (income)	124	(13,674)
Income before taxes	$ 14,693	$ 36,174
Income taxes	2,515	13,023
Net Income	$ 12,178	$ 23,151

* Included in Costs and Expenses, Depreciation and Amortization: $10,208,000 in 1990 and $10,831,000 in 1989.

Assets
(000's)

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 1,316	$ 2,627
Accts. receiv., net	36,858	41,613
*Inventories	45,781	47,717
Deferred inc. taxes	3,338	3,375
Prepaid expenses	3,735	1,793
Current Assets	$ 91,028	$ 97,125
#Fixed assets	56,762	55,611
Invest. in affil.	—	1,204
Other assets	4,102	3,319
Total Assets	$ 151,892	$ 157,259

Liabilities
(000's)

	1990	1989
Short-term debt	$ 1,000	$ 4,000
Long-term debt, curr.	246	696
Accts. payable	6,478	7,383
Accruals	13,814	17,172
Accruals rel. to restruc.	—	4,017
Income taxes	114	298
Curr. Liabilities	$ 21,652	$ 33,566
Long-term debt	94	2,253
Deferred inc. taxes	6,811	7,113
Other liabilities	5,269	4,205
+Preferred stock	20	25
++Common stock	2,202	2,202
Add. paid-in capital	96,867	100,458
Retained earnings	74,533	64,612
Treasury stock	(55,556)	(57,175)
Total Liabilities & Shareholders' Equity	$ 151,892	$ 157,259

* At lower of cost (currently adjusted standard) or market.
# Less accumulated depreciation.
+ $0.25 par value, convertible.
++ $0.25 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	6.28	14.60
% Net Income to Sales	5.21	9.35
% Net Income to Equity	10.31	21.02
Sales to Inventories	5.11	5.19
Debt to Equity	0.01	0.06
Working Capital	$ 69,376,000	$ 63,559,000
Current Ratio	4.20	2.89
Shareholders' Equity	$ 118,066,000	$ 110,122,000

Johnson Controls, Inc.

5757 North Green Bay Avenue
P.O. Box 591
Milwaukee, Wisconsin 53201-0591
(414) 228-1200
FAX: (414) 228-2008

Officers: James H. Keyes, president & chief executive officer; Joseph W. Lewis, vice president; George Jacobi, vice president; John M. Barth, vice president; David A. Bigler, vice president; Robert D. Gustine, vice president; J. William Horton, vice president; Walter M. Oliver, v.p.; William P. Killian, vice president; Richard A. Banfield, v.p.; James F. Wilson, v.p.; James M. Wade, v.p. & chief financial officer; John P. Kennedy, v.p., secretary & gen. counsel; Stephen A. Roell, treasurer; Jerome D. Okarma, assistant secretary & assistant general counsel.

Directors: Ettore Barbatelli, Fred L. Brengel*, John S. Randall*, William L. Rootham, John F. Daly, William J. Hubbard, Jr., James H. Keyes, Donald Taylor*, R. Douglas Ziegler*, James L. Krum*, Paul A. Brunner, Robert L. Barnett, Gilbert R. Whitaker, Jr.

* Member of the Executive Committee

Areas of Work: Engaged in the facility management, development, production and servicing of computer systems designed for building automation, fire safety and security and energy systems; manufactures and markets auto batteries and automotive seating; manufactures plastic containers and plastics blowmolding machinery.

Divisions:

Systems & Services Division
507 E. Michigan Street
P.O. Box 423
Milwaukee, Wisconsin 53201
(414) 274-4000

Provides building automation systems and products which can monitor and control every phase of a building's operations including energy conservation, fire safety and security.

Johnson/Yokogawa
4 Dart Road
Shenandoah Industrial Park
Newnan, Georgia 30265-1040
(404) 254-0400

Designs, installs and maintains industrial instrumentation and process control systems.

Control Products Division
507 E. Michigan
P.O. Box 423
Milwaukee, Wisconsin 53201
(414) 274-4000

Designs, produces and distributes energy related products to original equipment manufacturers. Products include a complete line of automatic temperature pressure and flow controls for air conditioning, refrigeration, commercial and residential heating, water pumping and gas burning equipment.

Battery Group
5757 N. Green Bay Avenue
P.O. Box 591
Milwaukee, Wisconsin 53201
(414) 228-1200

Manufactures and sells automotive and other rechargeable lead-acid batteries.

Automotive Systems Group
825 Victors Way
P.O. Box 1003
Ann Arbor, Michigan 48106
(313) 665-1500

Designs and manufactures complete seating systems and foam and metal seating components for cars, trucks and vans. Designs and manufactures window regulators, latches, locks and other automotive components.

Plastic Technology Group
912 City Road
P.O. Box 129
Manchester, Michigan 48158
(313) 428-8371

Plastic Container Division

Supplies plastic soft drink bottles for the U.S. market.

Plastics Machinery Division

Design and assembly of blowmolding machinery.

Engineered Plastics Division

Manufactures plastic components for automotive applications such as radiator end caps, gears and power steering reservoirs.

Subsidiaries:

Johnson Controls International, Inc
Milwaukee, Wisconsin

Johnson Controls, Ltd
Toronto, Ontario, Canada

Acquisition:

Pan Am World Services, Inc

Transfer Agent(s):

First Wisconsin Trust Co
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Stock Exchange(s): New York

Ticker Symbol: JCI

Number of Employees:

1990	43,500	1987	26,900
1989	42,000	1986	26,900
1988	28,900		

Plant Footage:

1990	N.A. —	1987	12,000,000
1989	14,000,000 sq. ft	1986	11,000,000
1988	12,000,000		

N.A.-Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 4,504,000,000	$ 92,400,000
1989	3,683,600,000	97,500,000
1988	3,099,600,000	103,500,000
1987	2,642,200,000	85,500,000
1986	2,462,800,000	86,100,000

	No. of Com Shares ‡	Earn. per Share ‡
1990	39,400,000	$ 2.13
1989	37,100,000	2.55
1988	36,600,000	2.53
1987	37,800,000	2.09
1986	38,000,000	2.10

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

	1990	1989
Controls	$ 1,702,400	$ 1,252,400
Automotive	1,404,500	1,187,600
Battery	728,000	658,700
Plastics	669,100	584,900
Total	$ 4,504,000	$ 3,683,600

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.20	—	—
1989	1.16	—	—
1988	1.10	—	—
1987	1.06	—	2-for-1
1986	1.00	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 1,030,000,000 #	$ 26.12
1989	973,300,000 #	24.73
1988	852,500,000	23.40
1987	770,364,000	21.69
1986	753,841,000 †	20.90

After allowing for preferred stock after deducting ESOP unearned compensation at stated value.
† After allowing for preferred stock at liquidation value
‡ Adjusted to reflect stock split

Income Account *
(000's)

Year ended Sept. 30	1990	1989
Net sales	$ 4,504,000	$ 3,683,600
Cost of sales	3,842,500	3,084,100
Expenses	433,500	394,500
Oper. profit	$ 228,000	$ 205,000
Interest income	(6,000)	(6,000)
Interest expense	51,000	39,500
Other expense (income)	10,200	(7,400)
Income before taxes	$ 172,800	$ 178,900
Income taxes	80,400	81,400
Net Income	$ 92,400	$ 97,500

* Included in Costs and Expenses, Depreciation and Amortization: $181,400,000 in 1990 and $143,700,000 in 1989

Assets
(000's)

As of Sept. 30	1990	1989
Cash & cash equiv	$ 54,300	$ 27,000
Accts. receiv., net	765,600	679,000
*Inventories	319,000	270,400
Other curr. assets	151,700	135,600
Current Assets	$ 1,290,600	$ 1,112,000
#Fixed assets	978,800	838,200
Goodwill	255,600	215,300
Invest. in affil	113,900	86,600
Other assets	159,900	174,100
Total Assets	$ 2,798,800	$ 2,426,200

Liabilities
(000's)

	1990	1989
Short-term debt	$ 273,300	$ 185,000
Long-term debt, curr	23,900	9,800
Accts. payable	444,400	351,300
Accrued compensation	123,100	96,600
Accrued inc. taxes	27,500	30,900
Billings in excess of costs	84,700	75,500
Other curr. liabilities	122,500	100,000
Curr. Liabilities	$ 1,099,400	$ 849,100
Long-term debt	483,000	445,100
Other liabilities	90,700	75,600
Deferred inc. taxes	90,200	78,500
+Preferred stock	174,400	175,000
++Common stock	6,900	6,900
ESOP unearned compensation	(168,900)	(170,400)
Add. paid-in capital	478,500	477,600
Retained earnings	582,100	545,300
Treasury stock	(59,500)	(59,500)
Cum. trans. adjust	22,000	3,000
Total Liabilities & Shareholders' Equity	$ 2,798,800	$ 2,426,200

* At lower of cost (LIFO) or market, foreign at FIFO
# Less accumulated depreciation and amortization
+ $1 par value; Series D convertible
++ $0.16 2/3 par value

Statistical Summary

% Income bef. Taxes to Sales	3.84	4.86
% Net Income to Sales	2.05	2.65
% Net Income to Equity	8.92	9.97
Sales to Inventories	14.12	13.62
Dent to Equity	0.75	0.65
Working Capital	$ 191,200,000	$ 262,900,000
Current Ratio	1.17	1.31
Shareholders' Equity	$ 1,035,500,000	$ 977,900,000

Joslyn Corporation

30 South Wacker Drive
Chicago, Illinois 60606
(312) 454-2920
FAX (312) 454-2930

Officers: Donald B. Hamister, chairman of the board & chief executive officer; Raymond E. Micheletti, president & chief operating officer; Charles A. Collins, v.p.; George W. Diehl, v.p.; Daniel Dumont, v.p.; Wayne M. Koprowski, v.p., general counsel & secretary; Steven L. Thunander, v.p.; Lawrence G. Wolski, sr. v.p., finance & administration

Directors: Donald B. Hamister, chairman; Barry L. MacLean, Walter W. Schoenholz, Edward F. Tuck, Lawrence G. Wolski

Areas of Work: Electric Utility: The Company manufactures a family of switchgear products incorporating either vacuum or sulfur hexafluoride gas technolgy used in power switching applications by the utilities. Joslyn's apparatus and hardware are used throughout the world for the protection, construction and maintenance of electric power transmission and distribution facilities.

Industrial Controls: The Company is the world's largest producer of vacuum switchgear for steel industry arc furnaces. It also produces a wide family of AC and DC motor contactors and starters, controllers, relays and rheostats. Joslyn is a leading supplier of fire pump controllers for automatic fire protection systems.

Telecommunications: Electronic and electrical equipment using gas tube technology is produced for the suppression and control of voltage and current surges. Air pressurization and dehydration products are manufactured for pressurization of insulated cables, antenna lines and waveguides and similar systems.

Defense and Aerospace: The Company produces precision voltage surge arresters to protect key military systems. The Corporation's subsidiaries manufacture connector accessories, flexible conduit and interconnecting devices, and design and manufacture high reliability air and gas dehydration and purification systems for the military.

Divisions and Subsidiaries:

ELECTRIC UTILITY:

Joslyn Canada
Lachine, Quebec, Canada

Joslyn Hi-Voltage Corporation
Cleveland, Ohio
Woodstock, Illinois

Joslyn Manufacturing Co.
Chicago, Illinois
Franklin Park, Illinois
Birmingham, Alabama

Joslyn Power Products Corporation
Alsip, Illinois

INDUSTRIAL CONTROLS

Joslyn Clark Controls, Inc.
Lancaster, South Carolina

Joslyn Hi-Voltage Corporation
Cleveland, Ohio
Woodstock, Illinois

TELECOMMUNICATIONS

ADK Pressure Equipment Corporation
Ontario, Canada
Boulder, Colorado

Joslyn Electronic Systems Corporation
Goleta, California
Lompoc, California
Spokane, Washington

DEFENSE AND AEROSPACE

Air Dry Corporation of America
Moorpark, California

Sunbank Electronics, Inc.
Burbank, California

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois 60670

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JOSL (NASDAQ)

Number of Employees

1990	1,950	1987	1,650
1989	2,100	1986	1,650
1988	2,275		

Sales & Earnings

	Net Sales	Net Income
1990	$ 197,006,000	$ (10,990,000)
1989	211,974,000	12,370,000
1988	206,029,000	12,794,000
1987	156,480,000	(5,087,000)
1986	149,501,000	10,758,000

	No. of Com. Shares +	Earn. per Share +
1990	4,722,000	$ —
1989	4,742,000	2.61
1988	4,778,000	2.68
1987	4,805,000	—
1986	4,791,000	2.25

(Loss)
+ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1990	1989
Electrical technologies	$ 109,606,000	$ 114,592,000
Utility systems	87,400,000	97,382,000
Total	$ 197,006,000	$ 211,974,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.60	—	—
1989	1.60	—	—
1988	1.56	—	—
1987	1.48	—	—
1986	1.44	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 90,222,000	$ 19.18
1989	109,290,000	23.14
1988	105,534,000	22.15
1987	100,980,000	21.04
1986	112,843,000	23.56

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 197,006,000	$ 211,974,000
Cost of sales	147,219,000	165,562,000
Expenses	26,253,000	26,980,000
Profit-sharing expense	1,980,000	2,588,000
Gen. corp. expense	4,647,000	4,943,000
Interest expense	373,000	439,000
Interest income	(996,000)	(779,000)
Other expense (income)	1,020,000	(7,879,000)
Non-recurring charges	23,500,000	—
Inc. (loss) bef. taxes	$ (6,990,000)	$ 20,120,000
Income taxes	4,000,000	7,750,000
Net Income (Loss)	$ (10,990,000)	$ 12,370,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,581,000 in 1990 and $5,632,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 21,450,000	$ 14,503,000
Accts. receiv., net	25,069,000	23,879,000
*Inventories	35,606,000	41,588,000
Prepaid expenses	11,326,000	15,339,000
Current Assets	$ 93,451,000	$ 95,309,000
Prepaid taxes & other assets	5,376,000	5,403,000
#Fixed assets	38,319,000	40,872,000
Goodwill & deferred charges	2,073,000	22,834,000
Total Assets	$ 139,219,000	$ 164,418,000

Liabilities

	1990	1989
Accts. payable	$ 9,881,000	$ 8,559,000
Accruals	20,370,000	24,174,000
Income taxes	1,246,000	2,395,000
Current Liabilities	$ 31,497,000	$ 35,128,000
Environmental accrual	17,500,000	20,000,000
+Common stock	5,879,000	5,904,000
Retained earnings	84,234,000	103,241,000
Cum. trans. adjust.	109,000	145,000
Total Liabilities & Shareholders' Equity	$ 139,219,000	$ 164,418,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	—	9.49
% Net Income to Sales	—	5.84
% Net Income to Equity	—	11.32
Sales to Inventories	5.53	5.10
Working Capital	$ 61,954,000	$ 60,181,000
Current Ratio	2.97	0.66
Shareholders Equity	$ 90,222,000	$ 109,290,000

Kaman Corporation

Blue Hills Avenue
P.O. Box 1
Bloomfield, Connecticut 06002
(203) 243-8311
FAX: (203) 243-6365

Officers: Charles H. Kaman, chairman & chief exec. officer; Harvey S. Levenson, president & chief operating officer; Richard E.W. Smith, v.p.; Glenn M. Messemer, v.p. & secretary general counsel; William P. Desautelle, sr. v.p. & treasurer; Robert M. Garneau, sr. v.p. & controller; Russell H. Jones, v.p.; Eugene G. Daly, asst. v.p.; J. Kenneth Nasshan, asst. v.p.; Ronald M. Galla, v.p.; James A. Morholt, asst. v.p.; Candace A. Clark, asst. secretary & counsel; Raymond H. Picard, asst. controller.

Directors: Charles H. Kaman*, chairman; John S. Murtha*, Robert H. Willis*, D. Brainerd Holmes, Frank C. Carlucci, Robert L. Newell*, Edythe J. Gaines, Hartzel Z. Lebed, John A. DiBiaggio, Walter H. Monteiuth, Jr., Harvey S. Levenson, William L. Webb, Jr., Frank Carlucci

* Member of the Executive Committee

Areas of Work: The Company conducts its business through two indsutry segments: Diversified Technologies and Distribution. Through its Diversified Technologies operations, the Company provides scientific services and systems development primarily for the U.S. armed forces and government agencies; advanced technology products for military and commercial applications; helicopters, helicopter modifications and spare parts for the U.S. Navy; and aerospace subcontracting for defense and commercial prime contractors. Through its Distribution operations, the Company distributes industrial products, including bearings, power transmission, hydraulic, and electrical/electronic drive systems products and accessories, and distributes musical instrments and accessories.

Divisions and Subsidiaries:

DIVERSIFIED TECHNOLOGIES

Sciences Group
Advanced materials, measuring devices, weapons studies, advanced aerodynamics, computer time-sharing and programs, and systems analysis.

Kaman Sciences Corporation
Garden of the Gods Road
Colorado Springs, Colorado 80907

Kaman Instrumentation Corporation
Colorado Springs, Colorado 80907

Kaman AviDyne
Barlingto, Massachusetts

Aerospace Group
Airframe components; rotary wing, energy systems, research and development; bearings, couplings.

Kaman Aerospace Corporation
Bloomfield, Connecticut 06002

Kamatics Corporation
Bloomfield, Connecticut 06002

Aviation Services Group
Aircraft sales and services, fuel, repair, charter service, flight training and airline services.

AirKaman of Jacksonville, Inc.
Jacksonville International Airport
Box 18157
Jacksonville, Florida 32229

Locus, Inc.
Specializes in the areas of electronic warfare simulation, electromagnetic signal intelligence analysis, and telecommunications products in the microwave frequency range.

Raymond Engineering Inc.
Defense products.

DISTRIBUTION

Music Group
Acoustic and electric guitars, accessories, musical strings; pianos, a complete line of musical instruments.

Coast Wholesale Music Co. of Los Angeles
1215 W. Walnut Street
Compton, California 90220

Coast Wholesale Music Co. of San Francisco
200 Industrial Way
San Carlos, California

Ovation Instruments, Inc.
Bloomfield, Connecticut

Kaman Musical String Corporation
Bloomfield, Connecticut

Kaman Music International Corp.
Bloomfield, Connecticut

C Bruno & Son, Inc
San Antonio, Texas
Wheeling, Illinois
Bloomfield, Connecticut
Atlanta, Georgia

Industrial Technologies Group
Electrical and electronics products, fluid power, hydraulic and industrial hose, and material handling components

Kaman Aircraft Bearing
Los Angeles, California

Kaman Industrial Technologies Corp of California
Kaman Industrial Technologies Corp
140 S Arrowhead Avenue
San Bernardino, California 92408

Kaman Industrial Technolgies Corp Intermountain
1771 South 450 West
Salt Lake City, Utah 84110

Kaman Industrial Technologies Corp Northwest
East 4115 Trent Avenue
Spokane, Washington 99220

Kaman Industrial Technolgies Corp East
5900 Firestone Drive
Syracuse, New York 13221

Kaman Industrial Techiologics Corp South
1129 E Platt Street
Tampa, Florida 33602

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Department
Bank Window, Church Street Station
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KAMNA (NASDAQ), KAMNG (6% convertible debentures)

Number of Employees:

1990	6,085	1987	6,473
1989	6,424	1986	6,333
1988	6,391		

Plant Footage:

1990	4,430,000 sq. ft	1988	2,844,000
1989	4,394,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 826,583,000	$ 19,225,000
1989	801,830,000	8,722,000
1988	767,851,000	25,299,000
1987	706,971,000	24,140,000
1986	587,820,000	20,256,000

	No. of Com Shares ∗	Earn per Share ‡
1990	18,204,354	$ 1.06
1989	18,194,971	0.48
1988	17,831,675	1.42
1987	17,549,433	1.37
1986	17,350,394	1.16

∗ Adjusted to reflect stock split
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split

Revenues By Line of Business

	1990 (000's)	%	1989 (000's)	%
Diversified tech	$ 406,701	49%	$ 405,490	51%
Distribution	418,624	51	395,360	49
Total	$ 825,325	100%	$ 800,850	100%

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1990	$ 0.44	—	—
1989	0.44	—	—
1988	0.42	—	—
1987	0.36	—	8-for-5
1986	0.30	—	—

Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 193,104,000	$ 10.61
1989	182,496,000	10.03
1988	178,582,000	10.01
1987	157,334,000	8.97
1986	136,802,000	7.88

‡ Adjusted to reflect stock split

Income Account *

Year ended Dec 31	1990	1989
Revenues		
Net sales	$ 825,325,000	$ 800,850,000
Other	1,258,000	980,000
Total	$ 826,583,000	$ 801,830,000
Cost of sales	623,042,000	624,323,000
Expenses	159,775,000	148,214,000
Interest expense	11,268,000	12,101,000
Other expense (income)	(280,000)	585,000
Income before taxes	$ 32,778,000	$ 16,607,000
Income taxes	13,553,000	7,885,000
Net Income	$ 19,225,000	$ 8,722,000

* Included in Costs and Expenses, Depreciation and Amortization: $13,452,000 in 1990 and $12,765,000 in 1989

Assets

As of Dec 31	1990	1989
Cash & cash equiv	$ 3,243,000	$ 8,687,000
Accts receiv., net	189,730,000	183,042,000
*Inventories	130,159,000	123,256,000
Other curr assets	3,898,000	4,488,000
Current Assets	$ 327,030,000	$ 319,473,000
#Fixed assets	79,128,000	82,925,000
Intangibles	32,678,000	33,497,000
Other assets	4,903,000	5,225,000
Total Assets	$ 443,739,000	$ 441,120,000

Liabilities

Notes payable	$ 13,319,000	$ 20,164,000
Long-term debt, curr	904,000	2,937,000
Accts payable	48,877,000	45,468,000
Accrued payroll	7,568,000	7,424,000
Accrued vacations	6,370,000	6,103,000
Other accruals & payables	36,243,000	33,410,000
Inc taxes payable	3,429,000	3,099,000
Curr Liabilities	$ 116,710,000	$ 118,605,000
Long-term debt	123,207,000	130,647,000
Deferred inc taxes	6,285,000	7,760,000
Other deferred credits	4,433,000	1,612,000
+Common stock		
Class A	17,581,000	17,529,000
Class B	668,000	668,000
Add paid-in capital	19,846,000	19,875,000
Retained earnings	156,278,000	145,053,000
Unamort restric stock awards	(996,000)	(621,000)
For curr trans adjust	18,000	8,000
Treasury stock	(291,000)	(16,000)
Total Liabilities & Shareholders' Equity	$ 443,739,000	$ 441,120,000

* Inventory of merchandise for resale and parts are stated at cost (average) or market, whichever is lower
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

% Income bef Taxes to Sales	3.97	2.07
% Net Income to Sales	2.33	1.09
% Net Income to Equity	9.96	4.78
Sales to Inventories	6.34	6.50
Debt to Equity	0.71	0.84
Working Capital	$ 210,320,000	$ 200,868,000
Current Ratio	2.80	2.69
Shareholders' Equity	$ 193,104,000	$ 182,496,000

Keithley Instruments, Inc.

28775 Aurora Road
Solon, Ohio 44139
(216) 248-0400
FAX (216) 248-6168

Officers: Joseph P Keithley, chairman of the board; Thomas G. Brick, president & chief exec officer; Terrence E Sheridan, v.p.-radiation measurements division; Frederick R Hume, v.p.-instrument division; James B Griswold, secretary; Ronald M Rebner, v.p. & chief financial officer; Wiliam C Kabele, v.p.-systems division; Hermann Hamm, v.p.-European operations; Ronald Ruiz, v.p.-U.S. sales division; Philip R Etsler, v.p.-human resources; Mark J Plush, Controller & assistant secretary

Directors: Joseph P Keithley, Joseph F Keithley, Theodore M Alfred, Donald M Alstadt, Thomas G Brick, James B Griswold, James T Bartlett, Leon J Hendrix, Jr., Angel G Jordan, Arden L Bement, Jr., Ronald M Rebner

Areas of Work: Designs, develops and manufactures precision electrical measuring instruments. These products include electronic test and measurement instruments and systems, and data acquisition and analysis hardware and software

Divisions:

Radiation Measurements Division
Instrument Division
Systems Division
U S Sales Division
Data Acquisition & Control Division

All at
28775 Aurora Road
Cleveland, Ohio 44139
(216) 248-0400

Subsidiaries:

Keithley International Investment Corporation
28775 Aurora Road
Solon, Ohio 44139
(216) 248-0400

Keithley Foreign Sales Corporation
5 Norre Gade
Charlotte Amalie
St Thomas 00801, U S Virgin Islands

Keithley Instruments, SARL
3, allee des Garays
91121 Palaiseau Cedex (Paris), France

Keithley Instruments, BV
Avelingen-West 49
4202 Gorinchem (Amsterdam), The Netherlands

Keithley Instruments, S.A.
Kriesbachstrasse 4
CH-8600 Dubendorf (Zurich), Switzerland

Keithley Instruments, Ges.m.b.H.
Rosenhugelstrasse 12
1120 Vienna, Austria

Keithley Instruments, Ltd.
58 Portman Road
Reading (London), Berkshire RG3 1EA, England

Keithley Instruments, GmbH
Heiglhofstrasse 5
D-8000 Munich 70, West Germany

Keithley Instruments SRL
Viale S. Gimignano 4/A
20146 Milan, Italy

Keithley Instruments Far East KK
ABS Building
2-4-16, Kudan Minami
Chiyoda-ku, Tokyo 102, Japan

Asyst Software Technologies, Inc.
100 Corporate Woods
Rochester, New York 14623
(716) 272-0070
Provides PC-based data acquisition and analysis software for scientific/engineering applications

Metrabyte Corporation
440 Myles Standison Blvd.
Taunton, Massachusetts 02780

Transfer Agent(s):

AmeriTrust Company National Association
Cleveland, Ohio

Stock Exchange(s): American

Ticker Symbol: KEI

Number of Employees:

1990	750	1987	523
1989	742	1986	479
1988	579		

Plant Footage:

1990	126,000 sq. ft.	1987	124,140
1989	124,140	1986	124,140
1988	124,140		

Sales & Earnings

	Net Sales	Net Income
1990	$ 100,593,000	$ 3,378,000
1989	88,728,000	4,131,000
1988	72,282,000	5,414,000
1987	57,652,000	3,280,000
1986	47,681,000	2,909,000

	No. of Com. Shares +	Earn. per Share †
1990	3,509,841	$ 0.96
1989	3,504,628	1.18
1988	3,492,350	1.55
1987	3,377,497	0.97
1986	3,358,648	0.87

+ Adjusted to reflect stock split.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.3204	—	—
1989	0.2952	—	—
1988	0.2070	—	—
1987	0.1638	—	3-for-2
1986	0.1476	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 37,870,000	$ 10.79
1989	34,216,000	9.76
1988	30,518,000	8.74
1987	25,577,000	7.36
1986	20,644,000	6.15

† Adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 100,593,000	$ 88,728,000
Cost of sales	36,410,000	32,331,000
Expenses	53,541,000	46,124,000
Amort. of intangibles	2,895,000	1,483,000
Interest expense	2,072,000	1,479,000
Income before taxes	$ 5,675,000	$ 7,311,000
Income taxes	2,297,000	3,180,000
Net Income	$ 3,378,000	$ 4,131,000

* Included in Costs and Expenses, Depreciation: $2,690,000 in 1990 and $2,241,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 1,511,000	$ 1,998,000
Accts. recev., net	18,006,000	15,181,000
*Inventories	12,087,000	14,134,000
Prepaid inc. taxes	1,101,000	1,496,000
Prepaid expenses	949,000	764,000
Current Assets	$ 33,654,000	$ 33,573,000
#Fixed assets	11,251,000	10,770,000
Intangibles	21,669,000	24,088,000
Other assets	2,631,000	1,486,000
Total Assets	$ 69,205,000	$ 69,917,000

Liabilities

	1990	1989
Short-term debt & long-term debt, curr.	$ 3,066,000	$ 976,000
Accts. payable	3,320,000	3,397,000
Accrued pay. & other exp.	3,784,000	3,495,000
Other accruals	3,058,000	2,840,000
Income taxes	1,702,000	1,644,000
Curr. Liabilities	$ 14,930,000	$ 12,352,000
Long-term debt	13,496,000	21,443,000
Other liabilities	2,804,000	1,870,000
Deferred inc. taxes	105,000	36,000
+Common stock		
Class A	96,000	95,000
Class B	80,000	80,000
Add. paid-in capital	3,241,000	3,200,000
Retained earnings	33,011,000	30,200,000
Foreign curr. transl.	1,442,000	641,000
Total Liabilities & Shareholders' Equity	$ 69,205,000	$ 69,917,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.05 stated value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	5.64	8.24
% Net Income to Sales	3.36	4.66
% Net Income to Equity	8.92	12.07
Sales to Inventories	8.32	6.28
Debt to Equity	0.44	0.66
Working Capital	$ 18,724,000	$ 21,221,000
Current Ratio	2.25	2.72
Shareholders' Equity	$ 37,870,000	$ 34,216,000

Keltron Corporation

225 Crescent Street
Waltham, Massachusetts 02154
(617) 894-8700
FAX: (617) 899-9602

Officers: David S. Wilbourn, chief-executive officer & treasurer; Harvey M. Fox, president; Jack H. Calechman, clerk

Directors: David S. Wilbourn, chairman; John A. Geishecker, Jr.; Harvey M. Fox; Jason Weisman

Areas of Work: Manufactures and markets digital instruments, power supplies and security alarm systems.

Divisions:

Elasco Power Supply
Manufactures transformers and other power supplies

Transfer Agent(s):

Keltron Corporation
225 Crescent Street
Waltham, Massachusetts 02154

Stock Exchange(s): Over-the-Counter

Number of Employees:

1990	151	1987	155
1989	149	1986	170
1988	170		

Plant Footage:

1990	65,000 sq. ft.	1987	65,000
1989	65,000	1986	65,000
1988	65,000		

Sales & Earnings

	Revenues	Net Income
1989	$ 7,688,034	$ 13,276
1988	7,931,663	(39,671)
1987	7,260,447	(2,284)
1986	7,187,575	(54,274)
1985	8,876,393	(92,596)

	No. of Com. Shares	Earn. per Share ‡
1989	841,810	$ 0.02
1988	841,810	
1987	841,810	
1986	841,810	
1985	841,810	

(Loss)
‡ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989	1988	1987	1986
Digital Instruments	28 %	23 %	30 %	26 %
Power Supplies	72	77	70	74
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,362,367	$ 1.62
1988	1,646,915	1.96
1987	1,686,586	2.00
1986	1,688,870	2.01
1985	1,743,144	2.07

Income Account

Year ended Dec. 31	1989	1988
Net sales	$ 7,664,383	$ 7,905,404
Rental income	17,800	17,300
Other income	5,851	8,959
Total income	$ 7,688,034	$ 7,931,663
Cost of sales	5,981,855	6,138,587
Expenses	1,374,292	1,483,519
Depreciation & amortization	106,725	160,721
Interest expense	185,920	154,493
Prior year adjust	22,000	22,000
State inc. taxes	3,966	12,014
Net Income (Loss)	$ 13,276	$ (39,671)

Assets

As of Dec. 31	1989	1988
Cash	$ 23,326	$ 22,462
Marketable securities	40,817	39,947
Accts. receiv., net	1,244,931	1,207,974
Other accts. receiv.	32,204	44,875
*Inventories	1,982,570	2,321,542
Prepaid expenses	12,894	10,200
Current Assets	$ 3,336,742	$ 3,647,000
≠Fixed assets	324,675	240,214
Other assets	53,075	53,075
Total Assets	$ 3,714,492	$ 3,940,289

Liabilities

	1989	1988
Notes payable	$ 993,324	$ 1,050,126
Long-term debt, curr.	140,698	161,420
Accts. payable	837,735	736,185
Commissions payable	107,291	79,163
Accruals	180,299	153,593
Curr. Liabilities	$ 2,259,347	$ 2,180,487
Long-term debt	92,778	112,887
+Common stock	8,418	8,418
Add. paid-in capital	405,172	405,172
Retained earnings	948,777	1,233,325
Total Liabilities & Shareholders' Equity	$ 3,714,492	$ 3,940,289

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $0.01 par value

Statistical Summary

	1989	1988
% Net Income to Sales	0.17	—
% Net Income to Equity	0.97	—
Sales to Inventories	3.87	3.41
Debt to Equity	0.90	0.80
Working Capital	$ 1,077,395	$ 1,466,513
Current Ratio	1.48	1.67
Shareholders' Equity	$ 1,362,367	$ 1,646,915

Ketema, Inc.

2233 State Road
Bensalem, Pennsylvania 19020
(215) 639-2255
FAX (215) 639-1533

Officers: Robert L. Noland, president & chief exec. officer; Henry Schladen, Jr., sr. v.p.-operations; Gary M. Noland, sr. v.p.-operations; Otto W. Richards, sr. v.p. & chief financial officer; William Yuschak, treasurer & assistant secretary; William Leisey, comptroller; Alexander G. Anagnos, secretary

Directors: Alexander G. Anagnos, William J. Catacosinos, Charles D. Klein, Robert L. Noland, Elizabeth R. Varet

Areas of Work: The Company supplies components, equipment, materials and design services for a broad base of customers in the aerospace, process and construction industries.

Divisions:

INDUSTRIAL PRODUCTS GROUP

Aluminum Extrusion
Los Angeles, California

Los Angeles Die Casting
Los Angeles, California

Heat Trasfer Equipment
Grand Prairie, Texas

Rodan
Anaheim, California

Special Filaments
Odenton, Maryland

ENGINEERED PRODUCTS & SERVICES GROUP

Aerospace & Electronics
El Cajon, California

Programmed Composites
Brea, California

Schutte & Koerting
Bensalem, Pennsylvania

Process Equipment
Santee, California

McCrometer
Hemet, California

ADVANCED MATERIALS GROUP

Composite Materials
Santa Ana, California

Textile Products
Anaheim, California

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
Shareholder Services Division
One New York Plaza, 14th floor
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: KTM

Number of Employees:

1991	1,700	1989	2,100
1990	1,900		

Plant Footage:

1991	1,324,000 sq. ft.	1989	1,354,000
1990	1,349,000		

Sales & Earnings

	Net Sales ≠	Net Income
2/28/91	$ 186,431,000	$ (868,000)
2/28/90	190,432,000	4,866,000
2/28/89	204,779,000	(12,701,000)
12/31/87	189,009,000	4,481,000
12/31/86	176,452,000	307,000

	No. of Com. Shares +	Earn. per Share +
2/28/91	4,111,223	$ —
2/28/90	4,417,416	1.10
2/28/89	4,401,871	—

NOTE: Effective Nov. 30, 1988, one share of the Company's common stock was issued for each ten shares of common stock of Ametek, Inc. then outstanding to Ametek stockholders of record as of the close of business on that date. As a result of such distribution, the Company became a stand-alone publicly held corporation and ceased to be a wholly-owned subsidiary of Ametek, therefore there is no common share information prior to 1989.
(Loss)
≠ Of continuing operations only
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	2/28/91	2/28/90
Industrial products	$ 91,460,000	$ 100,015,000
Engineered products & services	94,971,000	90,417,000
Total	$ 186,431,000	$ 190,432,000

Common Stock Equity

	Total Equity	Equity Per Share +
2/28/90	$ 67,382,000	$ 16.39
2/28/90	72,214,000	16.35
2/28/89	70,433,000	16.00
12/31/87	58,759,000	—
12/31/86	52,120,000	—

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Feb. 28	1991	1990
Net sales	$ 186,431,000	$ 190,432,000
Cost of sales	152,777,000	157,864,000
Expenses	22,867,000	22,686,000
Depreciation	4,894,000	5,602,000
Cost of claims assoc. with spin-off	(5,841,000)	—
Other income	(378,000)	(586,000)
Income before taxes	$ 430,000	$ 4,866,000
Income taxes	1,298,000	—
Net Income (Loss)	$ (868,000)	$ 4,866,000

Assets

As of Feb. 28	1991	1990
Cash & cash equiv.	$ 2,629,000	$ 2,816,000
Marketable securities	74,162,000	70,218,000
Accts. receiv., net	27,076,000	28,297,000
*Inventories	12,558,000	17,009,000
Prepaid expenses	2,160,000	2,378,000
Current Assets	$ 118,585,000	$ 120,718,000
≠Fixed assets	26,361,000	29,364,000
Other assets	18,742,000	19,749,000
Total Assets	$ 163,688,000	$ 169,831,000

Liabilities

	1991	1990
Long-term debt, curr.	$ 54,000	$ 45,000
Accts. payable	9,712,000	11,498,000
Accrued emp. compensation	6,733,000	6,427,000
Other accruals	14,542,000	14,574,000
Current Liabilities	$ 31,041,000	$ 32,544,000

Ketema, Inc.

Long-term debt	62,858,000	62,924,000
Deferred inc taxes	606,000	716,000
Other liabilities	1,801,000	1,433,000
+Common stock	4,535,000	4,495,000
Add paid-in capital	74,140,000	73,660,000
Retained earnings (deficit)	(3,298,000)	(2,430,000)
Net unreal gains (losses)	(431,000)	643,000
Treasury stock	(7,083,000)	(3,542,000)
Unearned compensation	(481,000)	(612,000)
Total Liabilities & Shareholders' Equity	$ 163,688,000	$ 169,831,000

- • At lower of cost (primarily LIFO) or market
- ≠ Less accumulated depreciation
- + $1 par value

Statistical Summary

% Income bef Taxes to Sales	0.23	2.56
% Net Income to Sales	—	2.56
% Net Income to Equity	—	6.74
Sales to Inventories	14.85	11.20
Debt to Equity	0.93	0.87
Working Capital	$ 87,544,000	$ 88,174,000
Current Ratio	3.82	3.71
Shareholders Equity	$ 67,382,000	$ 72,214,000

Kevlin Microwave Corporation

5 Cornell Place
Wilmington, Massachusetts 01887
(508) 657-3900
FAX (508) 658-5170

Officers: Ernest W. Lattanzi, chairman & chief executive officer; Arthur C. Williams, president & chief operating officer; John J. Moran, v.p. & clerk; John F. Rice, v.p.; Jeffery A. Bandrowski, v.p. & treasurer; James E. Riley, v.p.

Directors: James S. Galbraith, chairman emeritus; Ernest W. Lattanzi, chairman; John J. Moran, David Harkins, Carmine Vittoria, Arthur C. Williams, James J. Connolly

Areas of Work: Manufactures microwave rotary couplers, microwave connectors, ferrite components, and associated devices. The company's major product, microwave rotary couplers, allows microwave signals to travel between the stationary portion and the antenna or rotating portion of the system, without materially affecting the quality of the microwave signal.

Subsidiary:

Kevlin International, Inc.
Foreign Sales Corporation

Transfer Agent(s):

Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KVLM (NASDAQ)

Number of Employees:

1990	82	1987	94
1989	116	1986	95
1988	100		

Plant Footage:

1990	49,000 sq. ft.	1987	29,000
1989	49,000	1986	29,000
1988	29,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 9,782,830	$ 274,220
1989	9,451,420	476,486
1988	7,812,707	55,401
1987	5,873,021	25,644
1986	8,310,213	646,378

	No. of Com. Shares ≠	Earn per Share ≠
1990	2,623,104	$ 0.10
1989	2,703,899	0.18
1988	2,594,367	0.02
1987	2,590,101	0.01
1986	2,618,857	0.25

≠ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 7,036,071	$ 2.67
1989	6,721,852	2.58
1988	6,245,366	2.40
1987	6,150,815	2.42
1986	6,079,129	2.44

Income Account *

Year ended May 31	1990	1989
Net sales & contract res	$ 9,782,830	$ 9,451,420
Cost of sales	6,393,046	6,199,525
Expenses		
Prod develop	623,159	220,255
Selling	814,133	684,246
Gen and admin	1,627,269	1,628,571
Interest income	(130,377)	(176,826)
Other expense (income)	(4,500)	96,477
Income before taxes	$ 460,100	$ 799,172
Income taxes	185,880	322,686
Net Income	$ 274,220	$ 476,486

* Included in Costs and Expenses, Depreciation and Amortization: $371,761 in 1990 and $380,063 in 1989.

Assets

As of May 31	1990	1989
Cash & cash equiv	$ 2,749,611	$ 2,038,253
Accts receiv., net	1,555,575	2,099,268
* Inventories	1,169,360	1,408,731
Costs in exc of billings on uncomp contracts	1,099,510	1,552,590
Refund inc taxes	216,411	216,411
Prepaid expenses	84,382	109,250
Current Assets	$ 6,874,849	$ 7,424,503
≠ Fixed assets	1,678,807	1,555,649
Total Assets	$ 8,553,656	$ 8,980,152

Liabilities

Cap lease oblig., curr	$ 10,988	$ —
Accts payable	219,987	543,460
Billings in exc of costs on uncomp cont	281,434	182,917
Income taxes pay	15,304	265,789
Deferred inc taxes	10,076	67,126
Accruals	765,151	933,015
Curr Liabilities	$ 1,302,940	$ 1,992,307
Cap lease oblig	71,721	—
Deferred income taxes	142,923	265,993
+ Common stock	292,393	291,388
Add paid-in capital	1,816,736	1,798,893
Retained earnings	5,403,403	5,129,183
Treasury stock	(476,460)	(497,612)
Total Liabilities & Shareholders' Equity	$ 8,553,656	$ 8,980,152

- • At lower of cost (FIFO) or market
- ≠ Less accumulated depreciation
- + $0.10 par value.

Statistical Summary

% Income bef Taxes to Sales	4.70	8.46
% Net Income to Sales	2.80	5.04
% Net Income to Equity	3.90	7.09
Debt to Equity	1.18	—
Working Capital	$ 5,571,909	$ 5,432,196
Current Ratio	5.28	3.73
Shareholders' Equity	$ 7,036,072	$ 6,721,852

KLA Instruments Corporation

2051 Mission College Boulevard
P.O. Box 58016
Santa Clara, California 95052
(408) 988-6100
FAX (408) 727-6930

Officers: Kenneth Levy, president & chief exec. officer; Robert R. Anderson, chairman; Patrick H. Lamey, Jr., v.p., general mgr.-KLASIC Division; Robert J. Boehlke, v.p.-administation & chief financial officer; Paul Sandland, v.p. & -chief technical officer; Michael McCarver, v.p.-general mgr.-RAPID Division; Dannie K. Martz, v.p.-general manager-ATS Division; Dan Vilenski, v.p. & managing director-KLA Israel; Arthur P. Schnitzer, v.p.-general manager-WISARD Division; John W. Mathews, v.p. & gen. mgr.-Technology Division; William Turner, v.p. & controller; Sally Taylor, treasurer; Paul Kreutz, secretary.

Directors: Robert R. Anderson, chairman of the board; Leo J. Chamberlain, Kenneth Levy, Robert E. Lorenzini, Dr. Yoshio Nishi, Samuel Rubinovitz, Dag Tellefsen.

Areas of Work: Designs, manufactures, markets and services computer-based systems that are used to automate optical testing and inspection to control manufacture of very large scale intergrated (VLSI) circuits. These automated image analysis systems combine advanced optical technology with custom, high-speed digital electronics and proprietary software in replacing the human eye-brain recognition and interpretation traditionally used for optical inspection and testing.

Divisions and Subsidiaries:

Reticle and Photomask Inspection Division

Wafer Inspection (WISARD) Division

Automated Test Systems (ATS) Division

KLA Scanning Inspection, and Classification (KLASIC) Division

KLA Instruments Limited
2 Weller Drive
Hogwood Lane Industrial Estate
Wokingham, Berkshire RG11 4QZ England
44-734-730600

KLA Instruments GmbH
Leonrodstr. 58
D-8000
Munich 19, West Germany
49-89-18-2075

KLA Japan Technology Center, Ltd
KLA/TEL Japan Division
Endo Daini Building
1-31-11 Akebono-Cho
Tachikawa-City, Tokyo 190, Japan
81-425-23-2181

KLA Instruments-Israel
Science Avenue
North Industrial Center
P.O. Box 143
Migdal Ha'Emek 10500, Israel
972-65-42987

KLA Instruments S.A
25 Rue Michael Faraday
78180 Montigny-Le-Bretonneux
France
33-1304-53003

Transfer Agent(s):

First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KLAC (NASDAQ)

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 167,916,000	$ 9,380,000
1989	165,459,000	11,678,000
1988	112,851,000	8,827,000
1987	88,194,000	7,489,000
1986	82,526,000	9,854,000

	No. of Com Shares	Earn. per Share ‡
1990	17,987,000	$ 0.52
1989	17,856,000	0.65
1988	17,711,000	0.49
1987	17,425,895	0.42
1986	17,044,217	0.56

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 122,136,000	$ 6.79
1989	111,017,000	6.22
1988	97,464,000	5.50
1987	87,045,000	5.00
1986	75,596,000	4.44

Income Account *

Year ended June 30	1990	1989
Net sales	$ 167,916	$ 165,459
Cost of sales	90,958	91,173
Expenses	63,980	56,223
Interest income	(1,630)	(912)
Interest expense	608	1,009
Income before taxes	$ 14,000	$ 17,966
Income taxes	4,620	6,288
Net Income	$ 9,380	$ 11,678

* Included in Costs and Expenses, Depreciation and Amortization: $8,705,000 in 1990 and $6,418,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash & cash equiv	$ 32,263	$ 18,153
Marketable securities	9,836	8,755
Accts. receiv., net	52,056	54,183
*Inventories	44,611	42,480
Other curr. assets	6,083	2,850
Current Assets	$ 144,849	$ 126,421
≠Fixed assets	24,335	20,024
Market. securities	—	3,000
Other assets	10,092	11,309
Total Assets	$ 179,276	$ 160,754

Liabilities
(000's)

Notes payable	$ 3,580	$ 6,740
Accts. payable	8,245	9,126
Accrued compens	9,686	9,212
Accrued warranty	7,223	5,202
Income taxes	5,274	4,340
Other curr. liab	11,690	7,649
Curr. Liabilities	$ 45,698	$ 42,269
Deferred inc. taxes	11,442	7,468
+Common stock	18	18
Add. paid-in capital	53,760	52,696
Retained earnings	67,521	58,141
Cum. trans. adj	1,202	527
Notes receiv.-shareholders	(365)	(365)
Total Liabilities & Shareholders' Equity	$ 179,276	$ 160,754

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.001 par value

Statistical Summary

% Income bef. Taxes to Sales	8.34	10.86
% Net Income to Sales	5.59	7.06
% Net Income to Equity	7.68	10.52
Sales to Inventories	3.76	3.89
Debt to Equity	0.03	0.06
Working Capital	$ 99,151,000	$ 84,152,000
Current Ratio	3.17	2.99
Sharehold~~ers' Equity~~	$ 122,136,000	$ 111,017,000

KMS Industries, Inc.

700 KMS Place
P.O. Box 1778
Ann Arbor, Michigan 48106-1778
(313) 769-1100
FAX: (313) 769-1775

Officers: Patrick B. Long, chairman, president & chief exec. officer; Neil W. Hennessey, chief fin. officer-KMSI & sr. v.p.-KMSF; Terence C. Liddy, corp. secretary of KMSI & sr. v.p.-KMSF

Directors: Patrick B. Long, chairman; Robert A. Carrane, Terence C. Liddy, Thomas P. Stafford, Charles K. Ligon.

Areas of Work: An advanced technology company with scientific and engineering capabilities in aerospace, advanced products, diagnostic instrumentation, and laser fusion energy research. Current products include fiber optic sensors used to detect shock waves and ballistic impact; x-ray measurement and recording systems and devices; and a video multiplexer which allows several computers to feed output to one printer.

Subsidiaries:

KMS Fusion, Inc

KMS Advanced Products, Inc

Transfer Agent(s):

American Stock Transfer and Trust Company
Shareholder Relations Department
40 Wall Street, 46th Floor
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KMSI (NASDAQ)

Number of Employees:

1990	208
1989	264
1988	237
1987	216
1986	229

Sales & Earnings

	Revenues	Net Income
1990	$ 29,054,000	$ 750,000
1989	26,486,000	1,012,000
1988	21,776,000	801,000
1987	19,736,000	108,000
1986	19,696,000	909,000

	No. of Com Shares +	Earn. per Share ‡
1990	2,461,000	$ 0.30
1989	2,471,000	0.40
1988	2,478,000	0.32
1987	2,691,000	0.06
1986	1,968,000	0.46

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
U.S. Gov't. contracts	$ 21,534,000	$ 22,428,000
Military products	7,520,000	4,058,000
Total	$ 29,054,000	$ 26,486,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.09	—	—
1989	0.12	—	—
1988	0.03	—	—
1987	—	—	1-for-8

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 8,422,000	$ 3.42
1989	7,342,000	2.97
1988	6,261,000	2.53
1987	5,591,000	2.08
1986	5,519,000	2.80

‡ Adjusted to reflect stock split.

Income Account*

Year ended Dec. 31	1990	1989
Revenues	$ 29,054,000	$ 26,486,000
Cost of revenues	20,141,000	18,580,000
Expenses		
Res. & develop.	1,171,000	1,396,000
Sell., gen., & adm.	7,268,000	5,777,000
Interest income	(297,000)	(297,000)
Interest expense	5,000	8,000
Income bef. taxes	$ 766,000	$ 1,022,000
Income taxes	16,000	10,000
Net Income	$ 750,000	$ 1,012,000

* Included in Costs and Expenses, Depreciation and Amortization: $810,000 in 1990 and $620,000 in 1989.

KMS Industries, Inc.

Assets

As of Dec 31	1990	1989
Cash & cash equiv	$ 2,894,000	$ 741,000
Temp cash investments	983,000	2,473,000
Accts receiv , net	4,621,000	4,765,000
•Inventories	1,656,000	1,744,000
Other curr assets	132,000	159,000
Current Assets	$ 10,276,000	$ 9,882,000
≠Fixed assets	1,765,000	2,198,000
Other assets	31,000	63,000
Total Assets	$ 12,072,000	$ 12,143,000

Liabilities

Guaranteed ESOP debt, curr	$ 400,000	$ 400,000
Accts payable	1,402,000	2,388,000
Accrued compensation	1,248,000	1,031,000
Other accruals	500,000	313,000
Curr Liabilities	$ 3,550,000	$ 4,132,000
Guaranteed ESOP debt	100,000	669,000
+ Common stock	199,000	199,000
Add paid-in capital	29,216,000	29,218,000
Accumulated deficit	(20,303,000)	(20,833,000)
Treasury stock	(128,000)	(93,000)
Shares issued for debt	(562,000)	(1,149,000)
Total Liabilities & Shareholders' Equity	$ 12,072,000	$ 12,143,000

• At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.08 par value

Statistical Summary

% Income bef Taxes to Revenues	2.64	3.86
% Net Income to Revenues	2.58	3.82
% Net Income to Equity	8.91	13.78
Debt to Equity	0.06	0.15
Working Capital	$ 6,726,000	$ 5,750,000
Current Ratio	2.89	2.39
Shareholders' Equity	$ 8,422,000	$ 7,342,000

Knogo Corporation

350 Wireless Boulevard
Hauppauge, New York 11788
(516) 232-2100
FAX (516) 232-2124

Officers: Arthur J Minasy, president & CEO; James R Dellomo, v.p.-finance, secretary & treasurer; Michael Cooper, corp v.p.-engineering & research; Michael Trentacosti, v.p.-operations; Joan E Miller, controller; Peter Zhou, v.p.-research & development; Karen Hatgis, asst secretary; Peter J Mundy, corp controller

Directors: Arthur J Minasy, James R Dellomo, William A Perlmuth, Neil A Smith, Thomas A Nicolette, Robert E Vandermark, Frank M Corso

Areas of Work: Engaged in the design, manufacture, marketing and service of electronic article surveillance systems primarily used to detect and deter shoplifting. The Swept RF and Dual RF systems, using radio signals, are primarily used in retail clothing stores. The MM (micro-magnetic) system, which uses very low-frequency electromagnetic signals, protects hardgoods in a variety of retail establishments such as bookstores, supermarkets, drugstores, shoe stores and sporting goods stores and is used in museums, libraries and hospitals. The Company also provides retailers with modular close-circuit video systems to prevent internally caused shrinkage.

Manufacturing Subsidiaries:

Knogo S A
Zoning Industriel
Route de Wallonie
7410 Mons (Ghlin), Belgium
International headquarters

Knogo Caribe, Inc
Road No 172, KM 9.5
Cidra 00639 Puerto Rico
(809) 739-7411

Transfer Agent(s):

American Stock Transfer Co
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: KNO

Number of Employees:

1991	800	1988	651
1990	750	1987	626
1989	698		

Plant Footage:

1991	213,000 sq ft	1988	199,000
1990	213,000	1987	199,000
1989	213,000		

Sales & Earnings

	Revenues *	Net Income
1990	$ 67,008,000	$ 480,000
1989	59,145,000	3,356,000
1988	46,722,000	1,067,000
1987	46,280,000	7,158,000
1986	36,006,000	5,803,000

	No of Com Shares	Earn per Share ≠
1990	5,229,691	$ 0.09
1989	5,167,774	0.65
1988	5,153,941	0.16
1987	6,708,579	1.05
1986	6,673,709	1.19

* Includes lease rentals and other income
≠ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.30	—	—
1989	0.30	—	—
1988	0.225	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 71,512,000	$ 13.67
1989	69,155,000	13.38
1988	70,630,000	13.70
1987	94,389,000	14.07
1986	79,317,000	11.88

Income Account

Year ended Feb 28	1990	1989
Net sales & other income	$ 56,517,100	$ 48,854,300
Lease rental & other	10,491,000	10,290,500
Total income	$ 67,008,100	$ 59,144,800
Cost of sales	24,522,300	20,608,100
Expenses	31,919,100	28,624,300
Depreciation & amortization	5,084,000	4,820,300
Interest income	(1,897,800)	(324,100)
Interest expense	4,294,800	1,462,300
For curr trans	415,400	(521,300)
Inc bef taxes	$ 2,670,300	$ 4,475,200
Income taxes	2,189,900	1,118,800
Net Income	$ 480,400	$ 3,356,400

Assets

As of Feb 28	1990	1989
Cash & cash equiv	$ 13,460,100	$ 21,144,100
Marketable securities	2,800,000	—
Accts receiv , net	29,076,900	25,175,300
Investments in sales-type leases	13,777,800	9,853,100
•Security devices	30,878,200	29,563,300
≠Fixed assets	23,381,800	23,133,500
Intangibles	1,272,700	1,400,800
Defer charges	373,900	177,500
Other assets	9,631,500	7,374,300
Total Assets	$ 124,652,900	$ 117,821,900

Liabilities

Notes payable	$ 35,655,300	$ 36,514,100
Accts payable	5,594,400	3,681,300
Accruals	6,544,400	3,910,100
Income taxes pay	1,507,200	1,093,000
Deferred inc taxes	1,038,800	1,390,000
Deferred lease rentals	2,801,200	2,078,000
+Common stock	52,300	51,700
Add paid-in capital	34,993,800	34,340,600
Retained earnings	24,543,700	25,619,700
Foreign curr trans adj	12,309,300	9,696,000
Unamort deferred comp	(382,500)	(552,600)
Total Liabilities & Shareholders' Equity	$ 124,652,900	$ 117,821,900

• At cost (FIFO) which is not in excess of replacement value
≠ Less accumulated depreciation
+ $0.01 par value

Statistical Summary

% Income bef Taxes to Revenues	3.99	7.57
% Net Income to Revenues	0.72	5.67
% Net Income to Equity	0.67	4.85
Debt to Equity	0.50	0.53
Shareholders' Equity	$ 71,511,600	$ 69,155,400

Kollmorgen Corporation

10 Mill Pond Lane
Simsbury, Connecticut 06070
(203) 651-3757
FAX (203) 658-6947

Officers: John L Youngblood, president & chief executive officer; Edwin M Felske, v.p., chief financial officer & treasurer; Robert J Bollo, v.p., controller & chief accounting officer; James A Eder, v.p., secretary & associate general counsel; Donald Borod, v.p. & gen counsel; Joseph R Hoyt, v.p.

Directors: Robert W Bjork, Allan M Doyle, Jr.*, Townsend Hornor, James H Kasschau, J Douglas Maxwell, Jr., John A Diaz, Robert N Parker, Robert L Swiggett*, Richard Rachals, George P Stephan*, Eric M Ruttenberg, James E Swiggett*, John L Youngblood

* Member of the Executive Committee

Areas of Work: Engaged in two business segments: motors and controls and electro-optical instruments

Divisions and Subsidiaries:

Electro-Optical Division
347 King Street
Northampton, Massachusetts 01060
(413) 586-2330

Industrial Drives Division
201 Rock Road
Radford, Virginia 24141
(703) 639-2495

Inland Motor Division
501 First Street
Radford, Virginia 24141
(703) 639-3973

Kollmorgen Instruments Corporation
Simsbury, Connecticut 06070

Macbeth Division
P.O. Box 950
Newburgh, New York 12550
(914) 565-7660

PMI Motion Technologies Division
Commack, New York
(516) 864-1000

Photo Research Division
Chatsworth, California 91311
(818) 341-5151

Optronic Laboratories, Inc.
Orlando, Florida

Kollmorgen Overseas Development Corporation
Wilmington, Delaware

Artus S.A.
Angers, France

Kollmorgen (Ireland) Limited
Ennis, Ireland

Kollmorgen International Finance N.V.
Curacao, Netherlands Antilles

Kollmorgen Foreign Sales Corporation
St. Croix, Virgin Islands

Proto-Power Corporation
Groton, Connecticut

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: KOL

Number of Employees:

1990	2,500	1987	3,900
1989	3,400	1986	4,100
1988	3,900		

N.A. - Not Available

Sales and Earnings

	Net Sales +	Net Income
1990	$ 238,531,000	$ 18,476,000
1989	227,804,000	(31,813,000)
1988	247,569,000	14,080,000
1987	222,584,000	285,000
1986	205,029,000	(19,947,000)

	No. of Com. Shares #	Earn. per Share †
1990	10,439,313	$ 1.60
1989	10,625,088	—
1988	10,620,305	1.34
1987	10,388,101	0.03
1986	10,164,836	—

(Loss)
+ Of continuing operations only
# Based on the average number of shares outstanding
† Based on the weighted average number of common stock and common stock equivalents outstanding

Revenues By Line of Business
(000's)

	1990	1989
Motors & controls	$ 137,032	$ 129,834
Electro-optical instruments	101,499	97,970
Total	$ 238,531	$ 227,804

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.32	—	—
1989	0.32	—	—
1988	0.32	—	—
1987	0.32	—	—
1986	0.32	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 62,003,000	$ 6.43
1989	56,507,000	5.26
1988	89,039,000	8.50
1987	77,519,000	7.46
1986	79,398,000	7.70

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 238,531	$ 227,804
Cost of sales	156,912	154,352
Expenses		
Selling	27,678	24,208
Gen. & adm.	28,177	31,064
Res. & develop.	10,471	10,416
Merger & restruc. costs	4,300	16,500
Interest expense	6,942	7,717
Other expense (income)	(1,205)	445
Inc. (loss) bef. taxes	$ 5,256	$ (16,898)
Income taxes	1,320	2,000
Inc. (loss)-cont. oper.	$ 3,936	$ (18,898)
Inc. (loss)-discont. oper.	14,540	(12,915)
Net Income (Loss)	$ 18,476	$ (31,813)

* Included in Costs and Expenses. Depreciation and Amortization: $8,853,000 in 1990 and $8,505,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 17,205	$ 3,387
Short-term invest.	7,057	—
Accts. receiv., net	56,141	48,543
Receiv. on contracts	25,755	25,289
*Inventories	42,896	42,190
Prepaid expenses	1,524	2,309
Current Assets	$ 150,578	$ 121,718
Net assets held for dispos.	504	25,583
# Fixed assets	38,211	39,132
Other assets & intangibles	13,979	14,199
Total Assets	$ 203,272	$ 200,632

Liabilities
(000's)

	1990	1989
Notes payable	$ 6,258	$ 29,244
Long-term debt, curr.	5,071	1,149
Accts. payable	23,436	27,890
Income taxes	2,723	1,658
Accruals	28,501	27,918
Curr. Liabilities	$ 65,989	$ 87,859
Long-term debt	51,612	55,586
Deferred inc. taxes	829	254
Other deferred expenses	807	426
+Redeem. pref. stock	22,032	—
++Common stock	26,853	26,838
Add. paid-in capital	30,387	30,371
Retained earnings	13,800	430
For. curr. trans. adj.	758	(1,008)
Treasury stock	(9,795)	(124)
Total Liabilities & Shareholders' Equity	$ 203,272	$ 200,632

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1,000 par value; 9.5% convertible.
++ $2.50 par value

Statistical Summary

% Net Income to Equity	29.80	—
Sales to Inventories	5.56	5.40
Debt to Equity	1.02	1.52
Working Capital	$ 84,589,000	$ 33,859,000
Current Ratio	2.28	1.39
Shareholders' Equity	$ 62,003,000	$ 56,507,000

Koss Corporation

4129 N. Port Washington Avenue
Milwaukee, Wisconsin 53212-1029
(414) 964-5000
FAX: (414) 964-8615

Officers: John C. Koss, chairman of the board & chief executive officer; Michael J. Koss, president & chief operating officer; Robert W.A. Joynt, v.p. & pres.-Koss Ltd. (Canada); John C. Koss, Jr., v.p.-sales; Daniel Esposito, v.p.-corp. systems; Michael F. Moore, v.p., secretary & general counsel.

Directors: John C. Koss, chairman; Lawrence S. Mattson, Brooks S. Stevens, Jonathan Pellegrin, Michael J. Koss, John J. Stollenwerk, Thomas L. Doerr, Victor L. Hunter, Martin F. Stein.

Areas of Work: Designs, manufactures and markets stereo headphones, audio/video loudspeakers, and related accessories.

Subsidiary:

Koss Limited
4112-4114 South Service Road
Burlington, Ontario L7L 4X5 Canada

Transfer Agent(s):

First Wisconsin Trust Company
Box 2054
Milwaukee, Wisconsin 53201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KOSS (NASDAQ)

Number of Employees:

1990	200	1987	200
1989	200	1986	150
1988	200		

N.A. - Not Available

Sales & Earnings

	Net Sales +	Net Income †
1990	$ 27,200,428	$ 489,281
1989	26,504,820	1,696,705
1988	27,473,783	2,712,556
1987	21,321,532	1,820,877
1986	13,854,860	6,273,260

	No. of Com. Shares ‡		Earn. per Share † ‡
1990	3,485,787	$	0.14
1989	3,860,623		0.44
1988	4,333,498		0.63
1987	4,809,638		0.38
1986	4,227,001		1.48

+ Of continuing operations only.
† Including extraordinary gains of $40,000 ($0.01 per share) in 1990, $143,000 ($0.04 per share) in 1989, $379,000 ($0.09 per share) in 1988, $411,000 ($0.09 per share) in 1987 and $5,045,784 ($1.19 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	5,987,545	$	1.72
1989		7,538,885		1.95
1988		6,609,913		1.53
1987		4,760,165		0.99
1986		3,218,489		0.76

‡ Based on the weighted number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30		1990		1989
Net sales	$	27,200,428	$	26,504,820
Cost of sales		19,007,887		16,867,315
Expenses		7,025,557		6,667,980
Interest income		(25,057)		(17,793)
Interest expense		404,760		363,613
Income bef. taxes	$	787,281	$	2,623,705
Income taxes		338,000		1,070,000
Net Income	$	449,281	$	1,553,705
Extraord. gain		40,000		143,000
Net Income & extraord. gain	$	489,281	$	1,696,705

* Included in Costs and Expenses, Depreciation and Amortization: $588,826 in 1990 and $478,132 in 1989.

Assets

As of June 30		1990		1989
Cash	$	62,021	$	254,335
Accts. receiv., net		4,158,494		5,043,630
Inc. taxes receiv.		315,047		—
*Inventories		5,460,924		5,837,700
Prepaid expenses		140,393		118,785
Current Assets	$	10,136,879	$	11,254,450
# Fixed assets		2,452,927		2,057,265
Other assets		371,459		256,002
Total Assets	$	12,961,265	$	13,567,717

Liabilities

		1990		1989
Long-term debt, curr.	$	596,004	$	155,055
Accts. payable		1,546,781		1,223,328
Accruals		1,411,449		1,370,692
Income taxes		—		151,388
Curr. Liabilities	$	3,554,234	$	2,900,463
Long-term debt		2,865,486		2,562,369
Def. inc. taxes		554,000		566,000
+ Common stock		30,368		35,119
Add. paid-in capital		1,225,979		1,409,846
Cum. trans. adjust.		57,487		32,020
Ret. earnings		4,673,711		6,061,900
Total Liabilities & Shareholders' Equity	$	12,961,265	$	13,567,717

* At lower of cost or market: 77% at LIFO, remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales		2.89		9.90
% Net Income to Sales		1.65		5.86
% Net Income to Equity		7.50		20.61
Sales to Inventories		4.98		4.54
Debt to Equity		0.58		0.36
Working Capital	$	6,582,645	$	8,353,987
Current Ratio		2.85		3.88
Shareholders' Equity	$	5,987,545	$	7,538,885

KRUG International Corp.

(Formerly Technology Incorporated)

6 Gem Plaza, Suite 500
Dayton, Ohio 45402-1908
(513) 224-9066
FAX: (513) 224-3654

Officers: Maurice F. Krug, chairman of the board & chief executive officer; T. Wayne Holt, v.p.; Thomas W. Kemp, v.p.-finance & treasurer; Evelyn B. Walker, asst. treasurer.

Directors: Maurice F. Krug*, chairman; John W. Berry*, James J. Mulligan*, Marvin E. Bruce, Victor J. Cassano, Sr., William J. Hoben, Leo W. Ladehoff, Frederick C. Smith, Earl T. O'Loughlin.

* Member of the Executive Committee

Areas of Work: Operates primarily in three business segments: Aerospace, Leisure Marine, and Housewares.

Divisions and Subsidiaries:

Krug Life Sciences Inc.
1290 Hercules Drive
Suite 120
Houston, Texas 77058
(713) 488-5970

Biomedical research and development in the life sciences, particularly physiology, vision and biochemistry; medical systems research.

Krug Life Sciences Inc.
405 West Nakoma
San Antonio, Texas 78279-0644
(512) 349-3925

Provides research support in both government and company laboratories.

Technology Systems Division
3821 Colonel Glenn Highway
Dayton, Ohio 45431-0036
(513) 426-2405

Interdisciplinary research and development in flight dynamics aeropropulsion, gas dynamics, solid rocket technology, bioastronautics, nuclear effects, avionics, bioengineering, optics, and instrumentation data acquisition, reduction and analysis, electronic systems design and fabrication. Design, manufacture and marketing of scientific instruments for biomedical research, mass flow measurement of gases, and environmental measurement and control. Manufacture of electric annunciators, alarm systems, sequential event recorders and special purpose control equipment for industrial and public utility power plants and other process controls.

Technology/Scientific Services, Inc.
P.O. Box 3065
Overlook Branch
Dayton, Ohio 45431
(513) 426-0252

Scientific, engineering and technical contract services in the fields of electronics, aerospace engineering and computer technology.

Alpha Net Division
Dayton, Ohio

Specializes in the design, installation, integration and management of local area networks for computers.

KRUG International (UK) Ltd.
32 Ives Street
London, United Kingdom
011441823-9111

South Western Marine Factors Limited
P.O. Box 4
43 Pottery Road, Parkstone, Poole
Dorset BH14 8RE, United Kingdom

Distributes marine outboard engines, stern drives and inboard engines, diesel engines, steering systems and controls, boat fittings, equipment and clothing.

Beldray Limited
P.O. Box 20
Mount Pleasant, Bilston
West Midlands WV14 7NF, United Kingdom
01144902353500

Consumer ironing tables and accessories, kitchen textile accessories, domestic aluminum ladders and work platforms and garden equipment.

Transfer Agent(s):

Bank One Indianapolis, N.A.
Bank One Center/Tower
111 Monument Circle
Indianapolis, Indiana 46277

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KRUG (NASDAQ)

Number of Employees:

1990	1,140	1987	1,742
1989	1,450	1986	1,607
1988	1,751		

Sales & Earnings

		Revenues †		Net Income
1990	$	89,810,000	$	(4,907,000)
1989		84,731,000		1,057,000
1988		73,800,000		499,000
1987		53,374,000		(1,988,000)
1986*		35,154,000		1,972,000

	No. of Com. Shares +		Earn. per Share #
1990	4,116,994	$	—
1989	4,116,994		0.25
1988	4,370,828		0.11
1987	4,348,651		—
1986*	4,003,211		0.49

(Loss)
* 9 months.
† Of continuing operations only.
+ Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

		1990		1989
Commercial/consumer				
Leisure marine	$	23,747,000	$	24,109,000
Housewares		21,342,000		21,612,000
Aerospace		44,721,000		39,010,000
Total	$	89,810,000	$	84,731,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.03	—	—
1989	0.50	—	—
1988	0.03	—	—
1987	0.03	—	5-for-4
1986	0.024	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 5,786,000	$ 1.41
1989	11,348,000	2.76
1988	16,931,000	3.87
1987	13,576,000	3.12
1986	11,712,000	2.93

+ Adjusted to reflect stock split

Income Account*

Year ended Mar 31	1990	1989
Revenues	$ 89,810,000	$ 84,731,000
Cost of revenues	78,824,000	73,363,000
Expenses	7,938,000	9,496,000
Interest expense	1,670,000	1,281,000
Other income	(3,590,000)	(2,751,000)
Income before taxes	$ 4,968,000	$ 3,342,000
Income taxes	2,127,000	388,000
Inc.-cont. oper	$ 2,841,000	$ 2,954,000
Loss-discont. oper	(7,748,000)	(1,897,000)
Net Income (Loss)	$ (4,907,000)	$ 1,057,000

* Included in Costs and Expenses, Depreciation: $751,000 in 1990 and $718,000 in 1989

Assets

As of Mar 31	1990	1989
Cash	$ 332,000	$ 335,000
Accts. receiv., net	21,479,000	19,810,000
*Inventories	7,784,000	6,696,000
Prepaid expenses	568,000	557,000
Net assets-discont. oper	2,458,000	14,784,000
Current Assets	$ 32,621,000	$ 42,182,000
#Fixed assets	4,637,000	4,901,000
Pension asset	2,785,000	—
Net assets-discont. oper	1,693,000	4,563,000
Long-term receiv.	780,000	261,000
Total Assets	$ 42,516,000	$ 51,907,000

Liabilities

	1990	1989
Bank borrowings	$ 18,813,000	$ 19,210,000
Long-term debt, curr	362,000	1,057,000
Accts. payable	8,115,000	8,240,000
Accrued payroll	2,607,000	1,885,000
Other accruals	2,967,000	2,127,000
Income taxes	1,577,000	746,000
Curr. Liabilities	$ 34,441,000	$ 33,265,000
Long-term debt	272,000	6,324,000
Subordinated long-term debt	400,000	450,000
Pension liability	226,000	—
Deferred inc. taxes	982,000	65,000
Exc. of net assets acq over purch. price	409,000	455,000
+Common stock	2,058,000	2,058,000
Add. paid-in capital	537,000	537,000
Retained earnings	935,000	5,965,000
For. curr. trans.	2,256,000	2,788,000
Total Liabilities & Shareholders' Equity	$ 42,516,000	$ 51,907,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Net Income to Equity	—	9.31
Debt to Equity	3.43	2.38
Working Capital	—	$ 8,917,000
Current Ratio	—	1.27
Shareholders' Equity	$ 5,786,000	$ 11,348,000

Kulicke and Soffa Industries, Inc.

2101 Blair Mill Road
Willow Grove, Pennsylvania 19090
(215) 784-6000
FAX: (215) 659-7588

Officers: C. Scott Kulicke, chairman & chief exec. officer; Morton K. Perchick, sr. v.p.; Clifford G. Sprague, sr. v.p.; Herbert D. Benjamin, v.p.; Asher Brockmann, v.p.; Max M. Bycer, v.p.; Raphael Koriat, v.p.; Toshiki Yoshida, v.p.

Directors: C. Scott Kulicke, chairman of the board, Albert Soffa, Frederick W. Kulicke, Jr., Allison F. Page, MacDonell Roehm, Jr., John A. O'Steen, C. William Zadel

Areas of Work: Produces semiconductor manufacturing and assembly equipment ranging from manual to computer-controlled and fully automatic, as well as wire and die bonders and micro-tools.

Subsidiaries:

Kulicke and Soffa (Israel) Ltd.
Advanced Technology Center
P.O. Box 875
Haifa 31008, Israel
(972) 4-510271

Kulicke and Soffa, A.G.
Baarerstrasse 8
Zug CH-6301, Switzerland
(41) 42-222626

Kulicke and Soffa (Asia) Ltd.
Fook Cheong Building, 9th Floor
63 Hoi Yuen Road
Kwun Tong, Hong Kong
(852)3-896323

Kulicke and Soffa, (U.K.) Ltd.
Denton Island
Newhaven, East Sussex., England BN9 9BA
(44)273-513111

Kulicke and Soffa (Japan) Ltd.
No. 5 Koike Bldg., 3rd Floor
1-3-12 Kita-Shinagawa, Shinagawa-Ku
Tokyo 140, Japan
(03)450-7601

Transfer Agent(s):

Mellon Bank (East) N.A.
Philadelphia, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KLIC (NASDAQ)

Number of Employees:

1990	1,035	1987	1,050
1989	1,034	1986	1,138
1988	1,117		

Plant Footage:

1990	214,000 sq. ft.	1987	286,000
1989	214,000	1986	280,000
1988	286,000		

Sales & Earnings

	Net Sales	Net Income †
1990	$ 102,812,000	$ 3,390,000
1989	96,475,000	5,827,000
1988	83,502,000	4,357,000
1987	66,856,000	(5,366,000)
1986	64,771,000	(7,445,000)

	No. of Com Shares #	Earn. per Share †#
1990	7,780,786	$ 0.44
1989	7,720,050	0.75
1988	7,638,742	0.57
1987	7,571,185	—
1986	7,513,627	—

(Loss)
† Including extraordinary gain of $1,441,000 ($0.19 per share) in 1990.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 50,610,000	$ 6.48
1989	46,792,000	6.04
1988	40,571,000	5.28
1987	35,990,000	4.73
1986	40,473,000	5.37

Income Account

Year ended Sept. 30	1990	1989
Net sales	$ 102,812,000	$ 96,475,000
Cost of sales	55,323,000	49,000,000
Expenses	40,798,000	38,015,000
Depreciation & amortization	3,007,000	3,054,000
Interest expense	2,658,000	3,075,000
Interest income	(1,668,000)	(1,534,000)
Other income	—	(889,000)
Income before taxes	$ 2,694,000	$ 5,754,000
Income taxes (credit)	745,000	(73,000)
Net Income	$ 1,949,000	$ 5,827,000
Extraord. gain	1,441,000	—
Net Income & extraord. gain	$ 3,390,000	$ 5,827,000

Assets

As of Sept. 30	1990	1989
Cash & temp. cash invest.	$ 13,754,000	$ 11,727,000
Restricted cash	1,549,000	1,480,000
Short-term investments	7,070,000	9,203,000
Accts. & notes receiv., net	25,396,000	20,678,000
*Inventories	26,449,000	30,892,000
Prepaid expenses & other assets	3,094,000	2,440,000
Current Assets	$ 77,312,000	$ 76,420,000
#Fixed assets	16,476,000	16,574,000
Other assets	3,392,000	2,428,000
Total Assets	$ 97,180,000	$ 95,422,000

Liabilities

	1990	1989
Long-term debt, curr	$ 2,896,000	$ 1,979,000
Accts. payable	8,128,000	5,755,000
Accruals	6,120,000	4,675,000
Income taxes	326,000	516,000
Curr. Liabilities	$ 17,470,000	$ 12,925,000
Long-term debt	28,479,000	35,165,000
Deferred inc. taxes	95,000	80,000
Other liabilities	526,000	460,000
+Common stock	14,626,000	14,317,000
Retained earnings	38,322,000	34,932,000
Cum. trans. adjust.	(2,004,000)	(2,005,000)
Treasury stock	(334,000)	(452,000)
Total Liabilities & Shareholders' Equity	$ 97,180,000	$ 95,422,000

* At lower of cost (FIFO & average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Kulicke and Soffa Industries, Inc.

Statistical Summary

% Income bef. Taxes to Sales	2.62	5.96
% Net Income to Sales	1.90	6.04
% Net Income to Equity	3.85	12.45
Sales to Inventories	3.89	3.12
Debt to Equity	0.62	0.79
Working Capital	$ 59,842,000	$ 63,495,000
Current Ratio	4.43	5.91
Shareholders' Equity	$ 50,610,000	$ 46,792,000

Kustom Electronics, Inc.

10975 El Monte
Overland Park, Kansas 66211-1413
(913) 339-6767
FAX: (913) 339-6568

(39% owned by Van Enterprises, Inc.)

Officers: L. Claude Simmonds, chairman of the board & chief exec. officer; Thomas E. Skidmore, vice chairman & chief executive officer; John J. Hurley, president & chief operating officer; David S. Murray, exec. v.p. & gen. mgr.; Charles W. Bowen, v.p.-sales & marketing; James R. Meckstroth, v.p.-engineering; J. Ralph Hixson, v.p.-manufacturing operations.

Directors: L. Claude Simmonds, chairman; Thomas E. Skidmore, Bruce S. Simmonds, John J. Hurley, Peter A. Crossgrove, Robert M. Franklin, A. Allan Skidmore.

Areas of Work: Designs, manufactures, and markets mobile data communication systems, communication consoles, and traffic safety radar for both domestic and international markets.

Divisions & Subsidiaries:

Kustom Electronics International, Ltd.

Digital Dispatch Systems, Inc. (80% owned)

Glenayre Electronics Ltd.

Transfer Agent(s):

United Missouri Bank of Kansas City
10th and Grand
Kansas City, Missouri 64106

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KUST (NASDAQ)

Number of Employees:

1990	N.A.	1987	160
1989	167	1986	162
1988	159		

Plant Footage:

1990	N.A.	1987	54,082
1989	N.A.	1986	53,000
1988	54,082 sq. ft.		

N.A.-Not Available

Sales & Earnings

	Net Sales ‡ †	Net Income +	No. of Com. Shares ≠	Earn. per Share + ≠
1990	$ 9,042,000	$ 38,517	1,907,150	$ 0.02
1989	5,674,000	693,853	1,902,278	0.36
1988	4,902,000	685,215	1,911,500	0.36
1987	5,559,000	56,688	1,948,264	0.03
1986	3,967,000	590,409	1,930,480	0.31

‡ Includes other revenues.
† Of continuing operations only.
+ Including extraordinary gains of $106,000 ($0.06 per share) in 1987 and $45,080 ($0.02 per share) in 1986.
≠ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 6,679,312	$ 3.50
1989	6,621,447	3.48
1988	5,927,594	3.10
1987	5,414,649	2.78
1986	5,366,983	2.78

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 9,042,404	$ 5,674,113
Cost of sales	7,268,565	3,906,178
Expenses	4,345,720	2,470,575
Interest expense	85,157	5,148
Interest income	(26,762)	(90,504)
Other income	(65,803)	(63,545)
Loss before taxes	$ (2,564,473)	$ (553,739)
Income taxes	(870,933)	(179,855)
Minority interest	(30,877)	2,290
Loss - cont. oper.	$ (1,662,663)	$ (376,174)
Inc. - discont. oper.	1,701,180	1,070,027
Net Income	$ 38,517	$ 693,853

* Included in Costs and Expenses, Depreciation and Amortization: $833,120 in 1990 and $384,644 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 1,471,657	$ 104,622
Income taxes receiv.	60,609	—
Accts. receiv., net	2,019,054	3,037,939
Lease purch. contracts receiv.	19,828	222,356
Costs in exc. of billings on uncompl. contracts	367,698	431,114
*Inventories	1,708,125	2,287,418
Prepaid expenses	200,650	180,046
Current Assets	$ 5,847,621	$ 6,263,495
≠Fixed assets	995,391	1,334,011
Note receiv.	420,297	—
Software rel. intangibles	964,399	725,215
Other assets	186,960	326,867
Total Assets	$ 8,414,668	$ 8,649,588

Liabilities

Checks outstanding	$ —	$ 100,976
Revolv. line of credit	—	250,000
Accts. payable	906,807	645,146
Accruals	574,806	735,291
Excess billings on uncompleted contracts	57,743	27,431
Inc. taxes payable	—	21,639
Payable to seller	196,000	—
Curr. Liabilities	$ 1,735,356	$ 1,780,483
Payable to seller	—	196,000
Deferred inc. taxes	—	20,781
Minority interest	—	30,877
+Common stock	194,892	194,892
Add. paid-in captial	3,344,453	3,346,694
Retained earnings	3,290,905	3,252,388
Treasury stock	(150,938)	(172,527)
Total Liabilities & Shareholders' Equity	$ 8,414,668	$ 8,649,588

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Net Income to Equity	0.58	10.48
Sales to Inventories	5.29	2.48
Debt to Equity	0.03	0.08
Working Capital	$ 4,112,265	$ 4,483,012
Current Ratio	3.37	3.52
Shareholders' Equity	$ 6,679,312	$ 6,621,447

Kyocera Corporation

5-22 Kitainoue-cho, Higashino
Yamashina-ku, Kyoto 607, Japan
(075) 592-3851

Board of Directors: Kazuo Inamori, chairman & representative director; Kinju Anjo, president & representative director; Kensuke Itoh, executive v.p. & representative director; Toshinori Inamori, Masaaki Hiwatashi, Shoichi Hamamoto, Yoshiteru Hamano, Yoshizo Yasuda, Katsumi Nishimura, senior managing directors; Masao Kadota, Koichi Nakamura, Kenjiro Kimura, Shunji Nosaka, Masao Hori, managing directors; Toshihiko Teshirogi, Taiichi Akiyama, Stuart Lubitz, Yoshinobu Kanda, Ryusho Nagai, Michihisa Yamamoto, Yasuo Nishiguchi, Kiyohide Shirai, Tetsu Ohira, Tsutomu Kinoshita, Naoyuki Morita, Minoru Fujiyoshi, Shizuo Koyama, Yuzo Yamamura, Kaichiro Odagawa, directors.

Areas of Work: The Company is primarily engaged in the manufacture and sale of products in three major segments: ceramic and related products for the electronics and other industries; electronic equipment consisting of communications, audio and business equipment; and optical and precision instruments consisting of cameras and camera lenses.

Major ceramic products included alumina substrates, substrates for volume control and resistors, multiform glass for color TVs, parts for machine tools, pump and valve components, sliders, automotive components, and connectors for optical fiber glass cable. Major semiconductor products include cerdips, chip carriers and mother boards, pin grid arrays, and metallized microwave packages. Major electronic components products include chip capacitors, ceramic filters, resonators, chip resistors, thermal printheads, amorphous silicon drums, and liquid crystal displays. Consumer-related products include jewelry (Crescent Vert), dental implant and orthopedic devices (Bioceram), solar water heaters, solar cells, cutting tools, and ceramic scissors. Major products in the area of electronic equipment include transceivers, navigation equipment, compact disc players, MSX, desk-top computers, and compact laser printers. Major products in the area of optical and precision instruments include single lens reflex cameras (Contax, Yashica, Kyocera), 35mm cameras, lenses for single lens reflex cameras, and 8mm video camcorders.

Subsidiaries and Affiliates (Japan):

Kyocera Electronic Equipment Co., Ltd.
Shibuya-ku, Tokyo
Electronic equipment

Tomioka Optical Co., Ltd
Japan
Manufactures optical and precision instruments

Taito Corporation
(22.5% interest)
Japan
Game machines and operation of amusement arcades

Daini-Denden Inc
(25% interest)
Chiyoda-ku, Tokyo
Provides telecommunications services in Japan

Japan New Media System Co., Ltd (50%-owned)
Setagaya-ku, Tokyo
Electronic equipment

Subsidiaries and Affiliates (non-Japanese):

Kyocera International, Inc
8611 Balboa Avenue
San Diego, California 92123 U S A
(619) 576-2600

Kyocera America, Inc
San Diego, California, U S A
Manufactures semiconductor parts

Kyocera Electronics, Inc
Somerset, New Jersey, U S A
Electronic equipment

Kyocera Northwest, Inc
Vancouver, Washington, U S A
Manufactures electronic components

Kyocera Unison, Inc (81.36%-owned)
Berkeley, California, U S A
Electronic equipment

Kyocera Feldmuhle, Inc (52.5%-owned)
Mountain Home, North Carolina, U S A
Manufactures industrial ceramics and cutting tools

Yashica, Inc
Somerset, New Jersey, U S A
Optical and precision instruments

Kinamed, Inc
U S A
Artificial ceramic bones

Kyocera Canada, Inc
Mississauga, Ontario, Canada
Optical and precision instruments

Yashica do Brasil-Industria e Comercio Ltda
Sao Paulo, Brazil
Optical and precision instruments

Yashica do Brasil-Exportacao e Industria Ltda
Sao Paulo, Brazil
Optical and precision instruments

Feldmuhle Kyocera Europe
Elektronische Bauelemente GmbH
Esslingen-Zell, Federal Republic of Germany
Electronic components and semiconductor parts

Yashica Kyocera GmbH
Hamburg, Federal Republic of Germany
Optical and precision instruments

Kyocera Electronics Europe GmbH
Dusseldorf, Federal Republic of Germany
Electronic equipment

Kyocera (Hong Kong) Ltd
East Kowloon, Hong Kong
Electronic components and semiconductor parts

Universal Optical Industries, Ltd
Kowloon, Hong Kong
Manufactures optical and precision instruments

Yashica Hong Kong Co., Ltd
Hong Kong
Optical and precision instruments

Yashica Handelsgesellschaft mbH
Austria
Optical and precision instruments

Yashica A G
Switzerland
Optical and precision instruments

Transfer Agent(s):

Osaka Shoken Daiko Co., Ltd
4-6 Kitahama 2-chome
Chuoh-ku
Osaka 541, Japan

ADR Depositary:

Citibank, N A
111 Wall Street
New York, New York 10043

Stock Exchange(s): Tokyo, Osaka, Kyoto, New York*

Ticker Symbol: KYO (New York)* * Trades as an American Depositary Receipt (ADR)

Sales & Earnings x

	Net Sales (000's)	Net Income (000's)
1990	¥ 421,032,000	¥ 33,827,000
1989	391,099,000	33,293,000
1988	344,177,000	25,170,000
1987	309,595,000	17,905,000
1986	317,919,000	15,117,000

	No. of Com Shares	Earn per Share ‡
1990	180,784,000	¥ 184.14
1989	165,817,000	183.25
1988	165,176,000	139.17
1987	161,187,000	106.24
1986	N A	90.72

¥ - Yen
N A - Not Available
x Restated to include operations of AVX Corporation, acquired on a pooling of interests basis.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(millions)

	1990	1989
Ceramic & related prods.		
Ceramic for electron indus	¥ 7,872	¥ 7,826
Industrial ceramics	20,475	19,385
Semiconductor parts	96,541	111,887
Electronic components	141,709	119,446
Consumer-related prods	29,627	23,816
Other	4,284	4,640
Electronic equipment	76,776	65,554
Optical instruments	43,748	38,545
Total	¥ 421,032	¥ 391,099

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 40.47	—	—
1989	41.51	—	—
1988	39.14	—	—
1987	39.43	—	—
1986	40.85	—	—

Common Stock Equity x

	Total Equity (000's)	Equity Per Share
1990	¥ 458,742,000	¥ 2,537.51
1989	391,884,000	2,363.35
1988	354,409,000	2,145.64
1987	323,413,000	2,006.45
1986	314,925,000	—

x Restated

Income Account *
(millions)

Year ended Mar. 31	1990	1989‡
Net sales	¥ 421,032	¥ 391,099
Cost of sales	284,848	265,889
Expenses	76,158	63,315
Interest income	(17,295)	(11,080)
Interest expense	4,792	3,122
For curr trans loss	416	2,052
Eq in inc of affils	(3,466)	(1,036)
Other expense	4,006	1,662
Income before taxes	¥ 71,573	¥ 67,175
Income taxes	37,746	33,882
Net Income	¥ 33,827	¥ 33,293

‡ Restated
* Included in Costs and Expenses, Depreciation and Amortization: ¥ 22,782,000,000 in 1990 and ¥ 16,436,000,000 in 1989.

Assets
(millions)

As of Mar. 31	1990	1989‡
Cash & demand deposits	¥ 7,165	¥ 6,024
Time deposits	199,556	221,793
Short-term comm. notes	11,478	12,594
Short-term invest	3,000	3,000
Marketable securities	5,489	4,615
Accts receiv., net	105,937	89,134
*Inventories	76,431	61,228
Deferred inc. taxes	14,449	11,895
Current Assets	¥ 423,505	¥ 410,283
Investments & advances	42,612	39,890
#Fixed assets	125,835	101,453
Intangibles	37,520	9,052
Other assets	21,682	13,340
Total Assets	¥ 651,154	¥ 574,018

Liabilities
(millions)

	1990	1989‡
Short-term debt & long-term debt, curr	¥ 14,659	¥ 2,506
Notes & accts payable	53,868	42,010
Accrued payroll	13,447	11,108
Accrued inc. taxes	20,967	19,372
Other accruals	9,876	8,113
Other current liabilities	2,291	2,506
Curr. Liabilities	¥ 115,108	¥ 85,615
Long-term debt	65,237	89,131
Other liabilities	11,289	6,999
Minority interest	778	389
+Common stock	96,484	74,387
Add. paid-in capital	134,454	115,827
Legal reserve	5,157	4,471
Retained earnings for special allow	2,760	2,878
Retained earnings	246,013	219,830
For curr trans adjust	(14,245)	(25,509)
Treasury stock	(11,881)	—
Total Liabilities & Shareholders' Equity	¥ 651,154	¥ 574,018

‡ Restated
* At lower of cost (average & FIFO) or market.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

	1990	1989‡
% Income bef. Taxes to Sales	17.00	17.18
% Net Income to Sales	8.03	8.51
% Net Income to Equity	7.37	9.14
Sales to Inventories	5.51	6.39
Debt to Equity	0.17	0.25
Working Capital (000's)	¥ 308,397,000	¥ 324,668,000
Current Ratio	3.68	4.79
Shareholders' Equity (000's)	¥ 458,742,000	¥ 364,320,000

LaBarge, Inc.

707 North Second Street
P.O. Box 14499
St. Louis, Missouri 63178
(314) 231-5960
FAX: (314) 982-9412

Officers: Pierre L. LaBarge, Jr., chairman of the board & chief executive officer; Craig E. LaBarge, president & chief operating officer; William J. Maender, v.p.-finance, treasurer & secretary; J.C. Kuhn, Jr., vice president; Edward A. O'Brien, vice president.

Directors: Pierre L. LaBarge, Jr., Gus G. Casten, Richard P. Conerly, Edward J. Nestor, Jr., David F. Banks, R. Hal Dean, Craig E. LaBarge, Richard T. Fox, James P. Shanahan, Jr., J.C. Kuhn, Jr.

Areas of Work: Engineers, manufactures, tests and sells sophisticated electronic systems and devices and complex interconnect assemblies under contract with customers. Markets for the Company's products include the defense and aerospace, computer and medical diagnostic equipment industries.

Transfer Agent(s):

Ameritrust Company, N.A.
P.O. Box 6777
Cleveland, Ohio 44101

Stock Exchange(s): American

Ticker Symbol: LB

Number of Employees:

1990	1,165	1987	1,115
1989	1,183	1986	1,168
1988	1,075		

Sales & Earnings

	Revenues +	Net Income †
1990	$ 70,460,000	$ 1,610,000
1989	69,140,000	2,707,000
1988	59,665,000	1,636,000
1987	55,759,000	6,769,000
1986	63,187,000	(24,816,000)

	No. of Com Shares	Earn. per Share † #
1990	13,489,616	$ 0.06
1989	13,489,616	0.08
1988	13,489,616	0.01
1987	13,489,616	0.59
1986	6,744,808	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $570,500 ($0.04 per share) in 1990, $946,000 ($0.07 per share) in 1989, $578,980 ($0.04 per share) in 1988 and $5,089,000 ($0.50 per share) in 1987.
# Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 1,343,406	$ 0.10
1989	(4,196,006) ‡	—
1988	(6,610,716) ‡	—
1987	(7,566,698) ‡	—
1986	(13,533,723)	—

(Deficiency)
‡ After allowing for Class A and Class B preferred stock at redemption values.

Income Account *

Year ended June 30	1990	1989
Net sales	$ 70,460,384	$ 69,139,596
Cost of sales	56,365,231	57,100,763
Expenses	8,356,869	7,656,026
Interest expense	4,211,842	2,419,587
Other income	(116,169)	(366,079)
Inc. bef. taxes	$ 1,642,611	$ 2,329,299
Income taxes	603,500	853,800
Income - cont. oper.	$ 1,039,111	$ 1,475,499
Income - discont. oper.	—	285,649
Net Income	$ 1,039,111	$ 1,761,148
Extraord. gain	570,500	946,000
Net Income & extraord. gain	$ 1,609,611	$ 2,707,148

* Included in Costs and Expenses, Depreciation and Amortization: $1,656,136 in 1990 and $1,089,562 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 512,991	$ 1,111,359
Accts. receiv., net	13,226,894	9,339,472
*Inventories	20,355,070	20,440,111
Prepaid expenses	119,824	156,343
Current Assets	$ 34,214,779	$ 31,047,285
#Fixed assets	2,939,062	3,018,107
Assets of bus. divest.	559,526	480,936
Other assets	3,070,599	2,636,925
Total Assets	$ 40,783,966	$ 37,183,253

Liabilities

	1990	1989
Notes payable	$ 1,800,000	$ 800,000
Long-term debt, curr.	3,303,994	1,786,455
Accts. payable	7,903,015	5,660,563
Employee compensation	1,270,735	1,329,872
Other taxes	274,721	182,644
Other accruals	1,094,428	236,617
Income taxes	34,500	55,000
Pref. dividends pay.	50,000	258,667
Liab. from discont. oper.	—	46,833
Curr. Liabilities	$ 15,731,393	$ 10,356,651
Long-term debt	21,257,714	16,246,708
+ Redeem. pref. stock-Class C	2,451,453	—
++ Preferred stock		
Series A	—	5,078,736
Series B	—	7,267,402
+++ Common stock	138,559	138,559
Add. paid-in capital	10,506,713	8,228,228
Retained earnings (deficit)	(8,281,684)	(9,112,849)
Treasury stock	(1,020,182)	(1,020,182)
Total Liabilities & Shareholders' Equity	$ 40,783,966	$ 37,183,253

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; 10% cumulative convertible.
+ $1 par value; redeemable cumulative.
++ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.33	—
% Net Income to Sales	1.47	—
% Net Income to Equity	77.35	16.65
Sales to Inventories	3.46	3.38
Debt to Equity	19.62	1.78
Working Capital	$ 20,690,634	$ 20,690,634
Current Ratio	3.00	1.00
Shareholders' Equity	$ 1,343,406	$ 10,579,894

Lexicon Corporation

2400 East Commercial Boulevard
Fort Lauderdale, Florida 33308
(305) 772-7221
FAX: (305) 772-6110

Officers: Michael Levy, president & chief exec. officer; Steven W. Lowe, president & chief operating officer-SCOPE, Inc.; Louis R. Napoliello, president, chief operating officer-Sports-Tech International, Inc.

Directors: Michael Levy, Kiran Gandhi, Timothy J. Crowe, William C. McFarland, Raymond J. Kiernan, Kenneth M. Crosby.

Areas of Work: Operates a full service electronics technology company, specializing in the development and production for the United States military services of active non-cooperative target recognition and passive electronic intelligence systems which utilize advanced computer and signal processing technology.

Subsidiary:

SCOPE Incorporated
1860 Michael Faraday Drive
Reston, Virginia 22090
(703) 471-5600

Sports-Tech International, Inc. (57.7% owned)
2419 East Commercial Blvd.
Fort Lauderdale, Florida 33308

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LEXI (NASDAQ)

Number of Employees:

1990	108	1988	250
1989	117	1987	248

Plant Footage:

1990	96,000 sq. ft.	1988	96,000
1989	96,000	1987	96,000

Sales & Earnings

	Revenues x	Net Income †
1990	$ 14,184,543	$ (2,164,315)
1989	17,174,776	(3,172,099)
1988	13,209,188	(2,680,877)
1987	11,551,637	2,698,022
1986	7,528,855	(2,673,460)

	No. of Com Shares +	Earn. per Share † ‡
1990	7,944,232	$ —
1989	7,642,154	—
1988	7,452,634	—
1987	7,908,323	0.37
1986	6,897,970	—

(Loss)
x Of continuing operations only.
† Including extraordinary gain of $835,000 ($0.11 per share) in 1987.
+ Adjusted to reflect reverse stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Revenue by Lines of Business

	1990	1989
Signal technology	$ 5,516,000	$ 5,097,000
Defense systems	2,621,000	7,610,000
Sports technology	6,048,000	4,468,000
Total	$ 14,185,000	$ 17,175,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	1-for-2

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1990	$ 6,954,094	$ 0.88
1989	8,485,711	1.11
1988	11,038,390	1.48
1987	14,376,725	1.82
1986	8,722,499	1.26

† After allowing for preferred stock at liquidation value
‡ Adjusted to reflect reverse stock split

Income Account

Year ended Aug 31	1990	1989
Revenues		
Net sales & contract rev	$ 13,805,724	$ 16,128,780
Service revenue	378,819	1,045,996
Total income	$ 14,184,543	$ 17,174,776
Cost of revenues	9,984,801	13,761,312
Expenses	3,610,455	3,844,141
Depreciation & amortization	599,839	686,478
Interest expense	231,350	296,669
Interest income	(147,904)	(137,525)
Unreal losses on market secur	659,237	366,276
Real losses (gains) on sales of market secur	(30,738)	23,376
Loss (gain) on sale of assets	(50,370)	38,598
Other expense	301,665	113,250
Loss before taxes	$ (973,792)	$ (1,817,799)
Income taxes	389,860	167,958
Minority interest	261,586	111,955
Loss-cont oper	$ (1,625,238)	$ (2,097,712)
Loss-discont oper	(539,077)	(1,074,387)
Net Loss	$ (2,164,315)	$ (3,172,099)

Assets

As of Aug 31	1990	1989
Cash & cash equiv	$ 1,140,168	$ 2,193,946
Marketable secur	751,950	663,255
Accts receiv, net	4,638,867	5,059,533
*Inventories	357,281	647,442
Prepaid expenses	273,582	180,878
Assets of discont oper	38,025	2,115,891
Current Assets	$ 7,199,873	$ 10,860,945
#Fixed assets	872,200	835,816
Cost in exc of assets acq	3,975,364	4,087,961
Investments	—	728,177
Capitalized technology	438,350	513,943
Other assets	67,229	29,686
Total Assets	$ 12,553,016	$ 17,056,528

Liabilities

Note payable	$ —	$ 1,599,482
Long-term debt, curr	—	155,018
Deferred royalty income	32,210	76,893
Def gain on sale of prop	100,756	100,756
Accts payable	1,586,403	1,244,475
Accruals	1,538,036	1,825,481
Liab of discont oper	29,249	1,357,344
Curr Liabilities	$ 3,286,654	$ 6,359,449
Deferred royalty income	—	31,917
Def gain on sale of prop	109,151	209,907
Deferred compensation	56,680	82,912
Minority interest	1,686,797	1,361,592
+Preferred stock	4,596	5,250
++Common stock	794,423	764,215
Add paid-in capital	21,564,662	21,365,361
Retained earnings (deficit)	(14,112,502)	(11,906,819)
Unrealized loss on invest	—	(401,928)
Notes receiv from shareholders	(598,822)	(815,328)
Deferred offering costs	(238,623)	—
Total Liabilities & Shareholders' Equity	$ 12,553,016	$ 17,056,528

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.10 par value; $0.90 cumulative convertible
++ $0.10 par value.

Statistical Summary

Debt to Equity	—	0.28
Working Capital	$ 3,913,219	$ 4,501,496
Current Ratio	2.19	1.71
Shareholders' Equity	$ 7,413,734	$ 9,010,751

Litton Industries, Inc.

360 North Crescent Drive
Beverly Hills, California 90210-4867
(213) 859-5000
FAX: (213) 859-5940

Officers: Orion L. Hoch, chairman & chief executive officer; Roland O. Peterson, president & chief operating officer; Joseph T. Casey, vice chairman & chief financial officer; Alton J. Brann, sr. v.p.; Joseph F. Caligiuri, exec. v.p.; M. Howard Dingman, Jr., sr. v.p.; Robert H. Lentz, sr. v.p.; Gerald J. St. Pe, sr. v.p.; Gordon G. Palmer, sr. v.p.; Richard D. Fleck, sr. v.p.; Caroll A. Wiesner, v.p. & treasurer; Charles S. Bridge, v.p.; Walter P. Lukens, v.p.; Mathias J. Diederich, v.p.; Rudolph E. Lang, Jr., v.p.; Gerold E. Pokorny, v.p.; William Bournias, v.p.; Richard T. Hopman, v.p.; Dirk Koerber, v.p.; John M. Leonis, v.p.; Donald A. Lepore, v.p.; Thomas J. McGuigan, v.p.; George E. Boullianne, v.p.; Allen E. Powers, v.p.; Michael R. Brown, v.p.; Francis I. Crowley, Jr., v.p.; Norman L. Roberts, v.p.; Virginia S. Young, secretary.

Directors: Fred W. O'Green, Joseph T. Casey, Jayne B. Spain, Wallace W. Booth, Thomas B. Hayward, Orion L. Hoch, C. B. Thornton, Jr., James H. Zumberge, Paul Bancroft, III, Roland O. Peterson.

Areas of Work: Retail tag-making equipment and supplies; navigation and control systems, including aircraft inertial navigation systems, missile inertial guidance systems, marine navigation instruments and systems, and automated ship control systems; communications and electronic data systems, including command and control systems, shipboard electronic systems, tactical communications and systems, tactical air support equipment, airborne warning and control systems, electronic surveillance systems, radio navigation systems; marine engineering and production, including naval surface ships, and marine design and engineering; machine tool systems, including disc and surface grinding machines, automatic bar and chucking machines, boring, milling and drilling machines, drills, taps, dies and cutting tools, and specialty metal products; bulk material handling systems, and unit handling conveyor systems; electronic and electrical components, including computer components and subassemblies, microwave devices and laser materials, servo components and potentiometers and printed circuit boards; medical and electronic products, including electronic diagnostic and patient monitoring equipment; microwave cooking products; also engaged in resource exploration.

Divisions and Subsidiaries:

Advanced Circuit Design
114 Lost Creek Boulevard
Suite 131
Austin, Texas 78746-6318
(512) 327-1088

Advanced Circuitry
4811 West Kearney Street
Mail to: P.O. Box 2847 CS
Springfield, Missouri 65803-0847
(417) 862-0751

Printed and multilayer circuit boards, artwork design, board loading, back panels.

Aero Products
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Marketing Representation
2121 Newmarket Parkway
Bldg. 5, Suite 146
Marietta, Georgia 30067
(404) 955-0629

1626-1 Locust Avenue
Bohemia, New York 11716
(516) 589-5522

490 L'Enfant Plaza East, S.W.
Suite 8602, Washington D.C. 20024
(202) 554-2570

(Litton Worldwide Services, Inc.)
Guardian House
Room 1306
32 Oi Kwan Road
Causeway Bay, Hong Kong

9 Avenue Franklin Roosevelt
Paris 7008, France

5/6 Victory Business Center
Fleming Way/Worton Road
Isleworth, Middlesex
England TW7 6DB

Aero Service
3600 Briarpark Drive
P.O. Box 1939
Houston, Texas 77251-1939
(713) 784-5800

also at:

7229 South Alton Way
Englewood, Colorado 80112
(303) 779-4024

Photogrammetric and SLAR engineering, airborne and ground geophysical surveys, geophysical mapping, simulation sciences, resources exploration and evaluations, digital graphics, LANDSAT data processing.

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P.O. Box 18, 455 London Rd.
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(617) 486-8911
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P.O. Box 700
Warner Robins, Georgia 31099
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25 Gladsdale Drive
Pinner, Middlesex HA5 2PP, Great Britain

Theaterplatz 3
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Atlas Wireline Services
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256 Columbia Turnpike
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1540 25th Avenue, N.E.
Calgary, Alberta T2E 7R2, Canada
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Siteen Street Office
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(303) 591-0071
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Downhole Seismic Service
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P.O. Box 836
Harvey, Louisiana 70059-0836
(504) 362-9879
Downhole geophysical surveys.

also:

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P.O. Box 2469
Houston, Texas 77252-2469

Electron Devices
960 Industrial Road
San Carlos, California 94070-1303
(415) 591-8411
Microwave tubes, including magnetrons, traveling wave tubes and keystrons, solid-state microwave oscillators, cathode ray tubes and tube related equipment; basic and applied research in electron devices; image intensifiers, night vision devices.

also at:

1215 S. 52nd Street
Tempe, Arizona 85281
(602) 968-4471
Production of night vision devices.

1035 Westminster
Williamsport, Pennsylvania 17701-3911
(717) 326-3561
Production of magnetrons.

2580 Junction Avenue
San Jose, California 95134-1988
(408) 943-9055

1755 Jefferson Davis Highway
#902
Arlington, Virginia 22202-3509
(703) 920-4100

Encoder
20745 Nordhoff Street
Chatsworth, California 91311
(818) 341-6161

Encoders which provide shaft angle positions to interface with digital computer circuitry or computers in military, industrial and commercial systems.

Eureka X-Ray Tube
3250 North Kilpatrick Avenue
Chicago, Illinois 60641
(312) 545-3126

X-ray tubes for medical, dental, industrial and related accessories. Collimators and cassette trays.

Guidance & Control Systems
5500 Canoga Avenue
Woodland Hills, California 91367
(818) 715-4040

Inertial Navigation Systems, Attitude and Heading Reference Systems, Inertial Platforms & Inertial Measurement Systems for all classes of military vehicles. Digital computers for military application in strategic missiles, space, tactical electronic warfare, special display systems, and ships communication and control systems. Special test & other unique support equipment. Production of advanced inertial systems utilizing floated dry-tuned rotor, laser gyros employing either gimballisolated instruments or in strapdown application. Advanced research and developement in inertial systems and sensors including laser and fiber optic techniques. R&D/Production of ships control systems including propulsion, steering, and auxiliary control subsystems and bridge control systems and equipment.

also at:

1001 Redwood Highway Spur
Grants Pass, Oregon 97526
(503) 479-7541

Assembly of electronic printed circuits and components for inertial navigation systems.

2211 W. No. Temple
Salt Lake City, Utah 84116
(80) 539-1200

Fabrication, assembly and test of electronic equipment for inertial navigation systems and other electronic components.

Marketing representation:
325 Hospitality Lane
Suite 106
San Bernardino, California 92408-3210
(714) 381-7402

490 L'Enfant Plaza East S.W., Washington D.C. 20024-2179
(202) 554-2570

333 West First Street
Dayton, Ohio 45402-3044
(513) 223-3285

Litton Industrial Automation Group
7300 Turfway Road
Suite 410
Florence, Kentucky 41042-1355
(606) 283-2202

Total manufacturing and support services for the implementation of automated manufacturing systems, advanced material handling systems, warehousing systems, machine tools and state-of-the-art controls.

Automated Systems
2200 Litton Lane
P.O. Box 179
Hebron, Kentucky 41048-0179
(606) 334-2600

Automated storage and retrieval systems, flexible assembly systems and integrated material handling systems.

also:

Machining and Assembly Systems
5663 East Nine Mile Road
Warren, Michigan 48091-2593
(313) 497-6216

Diamond & CBN Products
121 Industrial Parkway
P.O. Box 84
Chardon, Ohio 44024-0084
(216) 285-9181

Manufactures industrial diamond products including diamond dressing tools, polycrystalline diamond and CBN cutting tools, diamond and CBN wheels and diamond rotary and block form dressers.

Disc Grinders & Abrasives
481 Gardner Street
South Beloit, Illinois 61080-1394
(815) 389-2251

Disc grinders, surface grinders, abrasive disc wheels and disc grinding systems.

also:

Rt. #6, Bellwood Road
P.O. Box 969
Calhoun, Georgia 30701-0969
(404) 625-1270

Production of grinding wheels.

Engineered Systems
7100 Industrial Road
Florence, Kentucky 41042-2906
(606) 525-5700

Flexible machining systems, engineered conveyor systems, unit handling and overhead conveyor systems and equipment.

Grinding Machines
East Sixth Street
Waynesboro, Pennsylvania 17268-9990
(717) 762-2161

Precision cylindrical production grinding machines and systems.

Grinding Machines-United Kingdom
(Division of Litton U.K. Ltd.)
Cross Hills, Keighley
W. Yorkshire BD20 7SD, England

Precision cylindrical production grinding machines and grinding machine systems.

Integrated Systems
2300 Litton Lane
Hebron, Kentucky 41408-9645

Technologies for evaluation and implementation of computer integrated manufacturing processes.

Ingalls Shipbuilding
1000 West River Road
P.O. Box 149
Pascagoula, Mississippi 39568
(601) 935-1122

New construction of naval and commercial ships; rail cars, oil rigs and platforms and other industrial products., advanced naval and commercial ship design, engineering and systems analysis.

also at:

2711 South Jefferson Davis Highway
Suite 1200
Arlington, Virginia 22202
(703) 979-0300

Interconnection Products
(Division of Litton U.K. Ltd.)
72 Whitecraigs Road
Whitehill Industrial Estate
Glenrothes, Fife KY7 5PR, Scotland

Inter-Pak Electronics (Advanced Circuitry)
2500 Airport Commerce Center
P.O. Box 2847
Springfield, Missouri 65803
(417) 869-3933

Press fit printed wiring backpanels; pinned assemblies, back panels (press fit pin); circuit boards, printed: single-sided, double-sided, multi-layer.

Itek Encoder
27 Christina Street
Newton, Massachusetts 02164-1596
(617) 969-7300

High accuracy, high resolution shaft angle position encoders for military tracking systems, fire control systems, space vehicle applications and precision industrial applications.

Itek Optical Systems
10 Maguire Road
Lexington, Massachusetts 02173-3199
(617) 276-2000

Optical and electro-optical systems for reconnaisance and surveillance in both strategic and tactical military applications. Geodata systems including space and airborne mapping and multi-spectral sensors, exploitation equipment and services. Advanced technology in image acquisition and exploitation.

also at:

1700 North Moore Street
Suite 1910
Arlington, Virginia 22209
(703) 522-2030

6151 West Century Blvd.
Suite 1110
Los Angeles, California 90045
(213) 641-0470

1190 Morse Avenue
Sunnyvale, California 94089
(408) 734-5260

Laser Systems
2787 South Orange Blossom Trail
Apopka, Florida 32703-4397

Mail to:
P.O. Box 7300
Orlando, Florida 32854-7300
(305) 295-4010

Design and manufacture of neodymium-doped, yttriumaluminum-garnet (Nd:YAG) laser range-finder and target designation systems.

also:

CLS Laser Systems
5 Jeffrey Drive
P.O. Box 767
South Windsor, Connecticut 06074-3460
(203) 289-3551

Research and development of CO2 (Carbon Dioxide) laser systems and devices.

LITAL
(Litton Italia S.p.A.)
(Guidance & Control Systems)
Via Pontina km 27,800

Mail to:
Casella Postale 10064 EUR
I-00100 Rome, Italy

Inertial navigation systems and heading and attitude reference systems for aircraft, military computers, tactical command and control, artillery automation.

LITEF (Litton Technische Werke) GmbH
Loerracherstrasse 18 Werke
Postfach 774
D-7800 Freiburg, Germany

Inertial navigation and heading attitude reference systems, in gimbal and strap-down technology. Military general purpose computer. Mobile military data terminals.

also at:

Poppelsdorfer Allee 102
D-5300 Bonn, Germany

Litton Computer Services (Headquarters)
1300 Villa Street
P.O. Box 7113
Mountain View, California 94039
(415) 966-1771

Services and systems: computer programming and software development; data systems design; systems engineering and engineering services; operations analysis; technical communication programs; systems operational test and evaluation; turnkey data systems, logistic systems.

also at:

490 L'Enfant Plaza East S.W. #8206, Washington D.C. 20024-2179
(202) 554-2570

P.O. Box 2498
Ft. Benning, Georgia 31905-1098
(404) 545-1845

333 West First Street
Dayton, Ohio 45402-3044
(513) 223-3285

1430 Oak Court
Dayton, Ohio 45430-1063
(513) 429-6450

(Litton Saudi Arabia Ltd. LSAL/CSD)
P.O. Box 52705
Riyadh 11573, Saudi Arabia
966-1-477-0477

Western Regional Data Center
5490 Canoga Avenue
P.O. Box 4040
Woodland Hills, California 91367-4040
(818) 715-5200

Eastern Regional Data Center
1831 Michael Farday Drive
Reston, Virginia 22090-5298
(703) 471-9200

Sales/Marketing

Suite 508
1660 N. Hotel Circle Drive
San Diego, California 92108
(619) 295-6035

111 N. Sepulveda Blvd.
Manhattan Beach, California 92066
(213) 318-8483

4747 Hellyer Avenue
P.O. Box 7012
San Jose, California 95150-7102
(408) 365-4445

200 East 42nd Street
#1200
New York, New York 10017
(212) 972-7880

Litton Corporate Offices
(Headquarters)
360 N. Crescent Drive
Beverly Hills, California 90210
(213) 859-5000

(Regional Offices)
201 East 42nd Street, 10th Floor
New York, New York 10017-5785
(212) 661-1111

490 L'enfant Plaza East, S.W., Washington D.C. 20024-2179
(202) 554-2570

(European Office)
Gubelstrasse 28
CH-8050 Zurich, Switzerland
41-1-312-3544

(Far East Office)
Central P.O. Box 760
Toyko, Japan
81-3-211-6791

(Corporate Audit Services)
360 N. Crescent Drive
Beverly Hills, California 90210-9990
(213) 859-5082

11 Commerce Drive
Cranford, New Jersey 07106-3501
(201) 709-0920

2250 E. Devon
Suite 135
Des Plaines, Illinois 60018-4593
(312) 296-6151

(Regional Public Relations Office)
360 N. Crescent Drive
Beverly Hills, California 90210-9990
(213) 859-5907
FAX Telex 67-4991
TWX 910 490-2524
Telecopier Murata 7200 (213) 859-5018
Murata 7200 (213) 859-5940

490 L'Enfant Plaza East, S.W. #8206, Washington D.C. 20024-2179
(202) 554-2570

7300 Turfway Road, Suite 410
Florence, Kentucky 41042-1355
(606) 283-8235

Gubelstrasse 28
CH-8050 Zurich, Switzerland
41-13123544

(Regional Real Estate Offices)
9950 West Lawrence Avenue
Suite 202
Schiller Park, Illinois 60176-9998
(312) 671-2610

201 East 42nd Street, 10th Floor
New York, New York 10017-5785
(212) 661-1111

Litton Italia S.p.A. (LITAL)
Via Pontina km 27.800
I-00040 Pomezia (Rome), Italy

Mail to:
Casella Postale 10064 EUR
I-00100 Rome, Italy
39-6-911-921

Inertial navigation systems and attitude/heading reference systems for airborne and shipborne applications, tactical command and control, artillery automation.

Litton Korea Ltd. (LITKOR)
Kuro Industrial Estates
345-15 Gari Bong Dong
Guro-Gu
Seoul 152, Korea

Support services and manufacturing associated with sale of Litton designed advanced electronic systems in Korea.

Litton Microwave Cooking Products
4450 Mendenhall Road, South
Memphis, Tennessee 38115-6701
(901) 366-3000

Microwave ovens and accessory products for commercial, institutional, vending and home use.

also at:

600 East 54th Street
Sioux Falls, South Dakota 57104
(605) 336-2222

Production of countertop microwave ovens.

Litton Microwave Cooking Products
6650 Finch Avenue, West
Etobicoke, Ontario M9W 5Y6, Canada
(416) 675-7051

Litton Microwave Cooking Products
Mint House
6 Stanley Park Road
Wallington, Surrey SM2 5BQ, Great Britain

Litton Precision Gear
4545 South Western Boulevard
Chicago, Illinois 60609
(312) 847-4211

Precision gears and aircraft parts, helicopter gears and transmissions.

Litton Precision Products International
Oberfoehringerstrasse 8
D-8 Munich 80, West Germany
498998961198O5
FAX: 47

Sales of Litton and non-Litton manufactured electronic and electro-mechanical components.

(France)
58, rue Pottier
F-78150 Le Chesnay, France

(Germany)
Romerstrasse 14
D-5042 Erfstadt 2, West Germany
49-22355025
FAX: 5026

Jahnstrasse 3
D-7990 Friedrichshafen 1, West Germany
49-754142272

Alte Volksparkstrasse 24
D-2000 Hamburg 54, West Germany
49405401214

Winchester Electronics Biberach
Otto-Hahn Strasse 8
D-7100 Heilbronn/Biberach, West Germany
49-7066-6811

(Australia)
303 Barrenjoey Road
Newport, N.S.W. 2106
Sydney, Australia

(Great Britain)
6 First Avenue
Globe Park
GB Marlow, Buckinghamshire SL7 1YA, England

(Italy)
Viale Romagna 1
I-20092 Conisello Balsamo-Milan 1, Italy

Via Montauro 27
00040 Morena
Rome, Italy

Via Pellegrino Orlandi 17
40139 Bologna
Italy

(Netherlands)
Van Utrechtweg 25
NL-2921 LN Krimpen a.d. Yssel, Netherlands

(Spain)
Concles del Val 8
E-28036 Madrid, Spain

(Sweden)
Warfvinges Vag 32
Box 30095
S-104 25 Stockholm, Sweden

(Switzerland)
Gubelstrasse 28
CH-8050 Zurich, Switzerland

Western Atlas International (70%-owned)
1001 Richmond Avenue
Houston, Texas 77042-4299
(713) 266-5700

Seismic exploration, reservoir description, core analysis, data reduction and interpretation, wireline oil well logging.

Litton Servotechnik
Feringastr. 14
D-8043 Unterfoehring, West Germany

Manufacturer of trimmers and potentiometers. Industrial precision potentiometers, digital and analog turn counting dials, incremental encoders, DC motors, industrial slip rings.

Litton Systems Canada Limited
25 Cityview Drive
Etobicoke, Ontario M9W 5A7, Canada
(416) 249-1231

Inertial navigation systems, airborne surveillance radar, flight inspection systems, LED flat panel displays, instrusion detection and surveillance security systems, shop command and control systems, radar training simulators and automated test equipment.

also at:

220 Laurier Avenue, West
Suite 730
Ottawa, Ontario K1P 5Z9, Canada
(613) 236-2358

Government business development office.

Litton-Westrex Company, Japan
Chiyoda Building
1-2, 2-Chome, Marunouchi
Chiyoda-Ku
Tokyo, Japan

Mail to:
Central P.O. Box 760
Toyko, Japan
81-3-211-6791

Distribution of Litton products; purchase of products manufactured in Japan for export to Litton divisions; technical licensing, exchange of technology and distribution of products between Litton divisions and Japanese firms.

Litton World Trade Corporation
Gubelstrasse 28
CH-8050 Zurich, Switzerland
Development of Litton trade with Mideast and Eastern countries.

J. S. Nolen & Associates
16225 Park 10 Place
Suite 560
Houston, Texas 77084-5113
(713) 578-3210
Reservoir analysis and petroleum simulation software.

Panelvision
265 Kappa Drive
Pittsburgh, Pennsylvania 15238-2871
(412) 963-9635
Flat panel displays, active matrix displays including the MiniGraphic displays, Liquid Crystal Displays (LCDs).

C. Plath
Gertigstrasse
48 D-2000 Hamburg 60, West Germany
Advanced and conventional marine navigational equipment, including gyro compasses, automatic pilots, electronic mainsteering systems, rate-of-turn indicators, radio navigation equipment, EM-log, sextants, magnetic compasses and general nautical instruments.

also at:

222 Severn Avenue
Annapolis, Maryland 21403-2569
(301) 263-6700

Wang-Ja Bldg. Room 605
1196-1, Choryang-5 Dong
Dong-Ku, Pusan, Korea
820514638345/6

Poly-Scientific
1213 North Main Street
Blacksburg, Virginia 24060
(703) 552-3014
Slip ring assemblies, miniature to large, for all applications including body scanners, offshore mooring and geophysical, cockpit instrumentation, inertial navigation, helicopter de-icing, cable reels, radar pedestals, military vehicle turrets, high speed turbine testing and hard vacuum; rotary switches; arm/disarm devices; molded cable assemblies; perimeter protection (burglar) systems and related components. Also analytical services including physical and chemical analysis particularly as relates to contamination and tribological research of electric contracts.

Potentiometer
750 South Fulton Avenue
Mount Vernon, New York 10551
(914) 664-7733
Precision potentiometers and precision rheostats in rotary, multiturn and singleturn rectilinear and sector types; pendulum transducers; resistors; rotary switches; servo modules; Compulift crane warning systems and load sensing systems.

USECO (Winchester Electronics)
13536 Saticoy Street
Van Nuys, California 91409
(818) 786-9381
Standard and custom screw machine products; terminals, spacers, inserts, knobs, handles, jacks, pins and terminal boards. Standard and custom molded products, connectors, headers, and insulated terminals. Card cages, back panel wire wrap and design.

VEAM
Via Statuto 2
I-20020 Arese/Milan, Italy
Electronic cylindrical connectors. Products distributed by Litton Precision Products International.

also at:

100 New Wood Road
Watertown, Connecticut 06795
(203) 274-9681

VEAM Elektro-Anchulusstechnik GmbH
P.O. Box 1304
Scharnhaeuser Strasse 3
D-7024 Filderstadt 1/Stuttgart, West Germany
Electronic cylindrical connectors.

Western Geophysical
1001 Richmond Avenue
Houston, Texas 77042-4299
(713) 789-9600

Mail to:
P.O. Box 2469
Houston, Texas 77252
(713) 789-9600
Land and marine geophysical seismic surveys for petroleum industry; processing and interpretation of field data at five digital service centers.

also at:

Field Offices:
7229 South Alton Way
P.O. Box 3118
Englewood, Colorado 80155
(303) 770-8660

900 Mohawk Street
Bakersfield, California 93309
(805) 324-0340

351 E. International Airport Road
Anchorage, Alaska 99518-1299
(907) 563-3511

Western Geophysical (Australia)
154 Abernethy Road
Belmont 6104, Western Australia
61-9-478-1033

Western Geophysical (Canada)
2612 37th Avenue, N.E.

Mail to:
P.O. Box 5250, Station A
Calgary, Alberta T2H 1X6, Canada
(403) 291-8100

Western Geophysical (Great Britain)
Wesgeco House
P.O. Box 18
455 London Road
Isleworth, Middlesex TW7 5AB, England

Western Geophysical (Singapore)
37 Jalan Remmpin #04-01 Union Bldg.

Mail to:
Box 94
Thomson Road, P.O.
Singapore 9157

Westrex Asia
BCC House
13th Floor, Room 1302
10 Queen's Road Central
Hong Kong
Sales and service of Westrex and Kimball products.

Winchester Electronics
400 Park Road
Watertown, Connecticut 06795
(203) 274-8891
Electronic and electrical connectors for computers and other industrial, commerical and military uses; back panel wirewrap and design; connector accessories and tools; insulated terminals.

also at:

Main & Hillside Avenue
Oakville, Connecticut 06779-9998
(203) 274-8891

Winchester Electronics
(Division of LPPI GmbH)
Otto-Hahn-Strasse 8
D-7100 Biberach/Heilbronn, West Germany
Manufacture of connectors for electronic and data processing and telecommunication industries; back panel wirewrap; IDC connectors.

Litton Industrial Automation Group (continued)

Lamb Technicon Corp.
5663 E. Nine Mile Road
Warren, Michigan 48091-2593
(313) 497-6000
Supplies automated systems to the automotive industry.

also:
Lamb Systems-Canada
6161 Tecumseh Road
P.O. Box 157
Windsor, Ontario, Canada N9A 6K1
(519) 944-6600

F. Joseph Lamb
225 Eugene Street East
Windsor, Ontario, Canada N8X 2X8
(519) 972-2400

Lamb Technicon-U.K.
Leyton Avenue Mildenhall
Suffolk, England IT2 87B
44-638-717641

Material Handling
2200 Litton Lane
P.O. Box 179
Hebron, Kentucky 41048-0179
(606) 334-2600

Integrated Automation, Inc.
1301 Harbor Bay Parkway
P.O. Box 4004
Alameda, California 94501-6597
(415) 769-5400
Develops and provides document and information management, inspection and process control systems.

Automated Guided Vehicles
280 E. Riley Street
Zeeland, Michigan 49464-9786
(616) 772-6321
Driverless, automatically guided material handling vehicles.

Additional Subsidiaries:

LRS
1001 Loop 35 East
P.O. Box 710
Alvin, Texas 77512-0710
(713) 331-6451
Manufacture, sale and maintenance of electronic digital recording equipment for the geophysical industry. Land and marine seismic detectors and cables. Land and marine seismic energy sources. Special purpose vehicles for off-road use.

also:

3600 Briarpark
Houston, Texas 77042-5206
(713) 781-8871

Lucas Machine
12302 Kirby Avenue
Cleveland, Ohio 44108-1687
(216) 451-5588
Machining centers; boring, milling and drilling machines (horizontal); largely equipped with numerical controls.

Marine Engineering and Production Group Office
1000 W. River Road
P.O. Box 149
Pascagoula, Mississippi 39568-0148
(601) 935-1122

McCullough
10201 Westheimer Road
Houston, Texas 77042-4299
(713) 972-4000
Provider of cased hole wireline services to the oil and gas industry, including completion services, production logging, and pipe recovery services.

Navigation, Guidance and Control Systems Group Office
5500 Canoga Avenue
Woodland Hills, California 91367-6698
(818) 715-3024

New Britain Machine
P.O. Box 2200
South Street
New Britain, Connecticut 06050-2200
(203) 229-1641
Flexible manufacturing systems, multiple spindle automatic bar machines, multiple spindle automatic chucking machines, twin and single spindle vertical and horizontal numerically controlled chucking machines, vertical and horizontal precision contour boring and turning machines, and surface grinding and boring machines, and contract manufacturing.

Union Butterfield
445 Biltmore Avenue
Asheville, North Carolina 28801-4565
(704) 253-3220

Drills, reamers, combined drills and countersinks, end mills, dies, taps, and miscellaneous other tooling

Kester Solder
515 East Touhy Avenue
Des Plaines, Illinois 60018-2675
(312) 297-1600

Transfer Agent(s):

Litton Industries, Inc
Shareholder Services
P.O. Box 5555
Beverly Hills, California 90209-0555

Stock Exchange(s): New York, Pacific

Ticker Symbol: LIT

Number of Employees:

1989	50,700	1986	55,500
1988	55,000	1985	58,200
1987	54,200		

Plant Footage:

1989	N.A	1987	14,972,000
1988	15,161,000 sq. ft		

N.A.-Not Available

Sales and Earnings

	'Net Sales ‡ (000's)	Net Income (000's)
1990	$ 5,156,385	$ 178,812
1989	5,022,782	178,272
1988	4,863,897	167,033
1987	4,419,689	138,112
1986	4,521,005	71,137

	No. of Com Shares #	Earn. per Share #
1990	24,532,011	$ 7.26
1989	25,177,550	7.05
1988	26,272,899	6.33
1987	26,614,689	5.16
1986	27,905,173	2.52

‡ Includes service revenues; of continuing operations only
# Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business
(000's)

	1990	1989
Advanced electronic sys	$ 2,164,264	$ 2,233,237
Industrial systems & services	1,960,301	1,833,859
Marine engineering and production	1,124,546	1,048,766
Intergroup eliminations	(94,334)	(105,233)
Miscellaneous	1,608	12,153
Total	$ 5,156,385	$ 5,022,782

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1990	$ 1,291,885	$ 57.63
1989	1,259,444	51.64
1988	1,167,157	45.82
1987	1,045,587	40.28
1986	1,011,687	37.09

‡ After allowing for preferred stock at liquidation value

Income Account
(000's)

Year ended July 31	1990	1989
Sales and service revenues	$ 5,156,385	$ 5,022,782
Cost of sales	4,012,731	3,908,460
Expenses	534,264	515,209
Depreciation	214,854	204,168
Interest expense	74,741	80,425
Income before taxes	$ 319,795	$ 314,520
Income taxes	127,923	127,095
Minority interest	(13,060)	(9,153)
Net Income	$ 178,812	$ 178,272

Assets
(000's)

As of July 31	1990	1989
Cash & market secur	$ 1,244,391	$ 1,068,761
Accts receiv, net	973,690	1,060,222
*Inventories	717,541	805,275
Prepaid expenses & taxes	272,020	275,612
Current Assets	$ 3,207,642	$ 3,209,870
#Fixed assets	1,247,219	1,269,386
Intangibles	437,803	451,787
Other assets	303,554	326,638
Total Assets	$ 5,196,218	$ 5,257,681

Liabilities
(000's)

	1990	1989
Notes payable & long-term debt, curr	$ 96,256	$ 149,384
Accts payable	695,331	739,282
Payroll expenses	314,561	277,843
Income taxes	135,754	170,461
Cust deposits & contract liab	370,975	437,327
Curr Liabilities	$ 1,612,877	$ 1,774,297
Long-term liabilities	189,877	182,128
Deferred inc taxes & other items	566,684	521,028
Subord notes & deben	1,311,305	1,311,305
Minority interest	215,377	201,266
+Preferred stock Series B	2,053	2,053
++Common stock	22,380	24,349
Add paid-in stock	411,875	437,888
Retained earnings	868,300	808,537
Cum curr trans adjust	(4,510)	(5,170)
Total Liabilities & Shareholders' Equity	$ 5,196,218	$ 5,257,681

* Raw materials stated at lower of cost (FIFO & average) or market
# Less accumulated depreciation
+ $5 par value; $2 non-convertible
++ $1 par value

Statistical Summary

	1990	1989
% Income bef Taxes to Sales	6.20	6.26
% Net Income to Sales	3.47	3.55
% Net Income to Equity	13.75	14.06
Debt to Equity	0.22	0.26
Working Capital	$ 1,594,765,000	$ 1,435,573,000
Current Ratio	1.99	1.81
Shareholders' Equity	1,300,098,000	$ 1,267,657,000

Lockheed Corporation

4500 Park Granada Boulevard
Calabasas, California 91399
(818) 712-2000
FAX (818) 712-2329

Officers: Daniel M. Tellep, chairman of the board & chief executive officer; Vincent N. Marafino, vice chairman & chief financial & administrative officer; Donald C. Jones, group president-technology services; Val P. Peline, group president-Electronic Systems Group; John N. McMahon, group president-Missiles and Space Systems Group; Kenneth W. Cannestra, group president-Aeronautical Systems; R. W. Taylor, v.p.-corporate development; Louis J. Barnard, v.p.-human resources; Richard K. Cook, v.p.-Washington area; Alan C. Chase, v.p.-business development; Robert Northcutt, v.p. & controller; Robert C. Johnson, v.p.-contracts & pricing; Dean O. Allen, v.p.-information & administrative services; Robert P. Caren, v.p.-science & engineering; Joseph G. Twomey, v.p. & general counsel; Susan M. Pearce, v.p.-corp. Communications; Robert E. Rulon, v.p.-internal audit; E. Allen Thompson, v.p.-operations; William T. Vinson, v.p.-secretary & assistant general counsel; Kenneth N. Hollander, v.p.-international business development; Anthony G. Van Schaick, v.p. & treasurer; A. Gene Otsea, asst. treasurer; Robert C. Gusman, asst. secretary

Directors: Joseph P. Downer, Houston I. Flournoy, Vincent N. Marafino, Lawrence O. Kitchen*, Frank Savage, Joseph J. Pinola*, Adm. Carlisle A. H. Trost, John E. Swearingen, James F. Gibbons, Warren Christopher*, David S. Potter, Daniel M. Tellep, James R. Ukropina, Douglas C. Yearley

* Member of the Executive Committee

Areas of Work: The company is engaged in the manufacture of military and commercial aircraft; space and missile programs, aircraft servicing; data recording and analysis systems; electronic marine equipment; aircraft training aids; electronic countermeasure systems; tactical and airborne radar, spacecraft and commercial recorders; gunfire controls, checkout and test equipment; fuel oil computer registers; computer memory systems and components; computer graphics equipment; computer services; deep submergence vehicles; information systems; management systems; environmental systems and clean-up.

Divisions and Subsidiaries:

Lockheed Aircraft Service Company
Ontario, California 91761
(714) 988-2411

Lockheed Aeronautical Systems Company
Burbank, California 91520

Lockheed-Georgia Company
Marietta, Georgia 30063
(404) 424-9411

Lockheed Electronics Company, Inc
Plainfield, New Jersey 07061
(201) 757-1600

Lockheed Missiles & Space Company, Inc
Sunnyvale, California 94088
(408) 742-4321

Lockheed Air Terminal, Inc
Burbank, California 91510
(818) 847-6121

Lockheed Finance Corporation
Burbank, California 91502

Lockheed Corporation International
Calabasas, California 91399

Calcomp
Anaheim, California 92803

Datacom Systems Corporation
Teaneck, New Jersey 07666

CADAM, Inc
Burbank, California 91504

Lockheed DataPlan, Inc
Los Gatos, California 95030

Lockheed Engineering & Sciences Company, Inc
Houston, Texas 77058

Lockheed Space Operations Company
Titusville, Florida 32780

Metier Inc
Burbank, California 91505

Lockheed Aeromod Center, Inc

Lockheed Support Systems, Inc

Murdock Engineering Company

Avicom International, Inc

Sanders Associates, Inc
Daniel Webster Highway South
Nashua, New Hampshire 03061
(603) 885-4321

Engaged in the production of electronic countermeasure systems, air defense radars, graphic displays, microwave components, and printed circuitry

Transfer Agent(s):

First Interstate Bank
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): New York, Pacific, Amsterdam, London, Geneva, Lausanne, Zurich, Basel

Ticker Symbol: LK

Number of Employees:

1990	73,000	1987	97,200
1989	82,500	1986	96,900
1988	85,600		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 9,958,000	$ 335,000
1989	9,891,000	2,000
1988	10,433,000	624,000
1987	11,078,000	421,000
1986	9,942,000	408,000

	No. of Com Shares ‡	Earn. per Share ‡
1990	63,200,000	$ 5.30
1989	62,600,000	0.03
1988	60,200,000	10.37
1987	65,700,000	6.41
1986	66,000,000	6.18

+ Of continuing operations only

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues By Line of Business
(000's)

	1990	1989
Missiles & space syst	$ 5,116,000	$ 4,780,000
Aeronautical syst	2,329,000	2,572,000
Technology serv	1,550,000	1,432,000
Electronic syst	963,000	1,107,000
Total	$ 9,958,000	$ 9,891,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.80	—	—
1989	1.75	—	—
1988	1.55	—	—
1987	1.30	—	—
1986	0.95	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 2,309,000	$ 36.53
1989	2,062,000	32.63
1988	2,476,000	41.75
1987	2,087,000	33.31
1986	1,866,000	28.44

Income Account *
(000's)

Year ended	12/30/90	12/31/89
Net sales	$ 9,958,000	$ 9,891,000
Cost of sales & exp	9,397,000	9,838,000
Interest expense	138,000	86,000
Other expense (income)	(7,000)	7,000
Inc (loss) bef taxes	$ 430,000	$ (40,000)
Income taxes (credit)	95,000	(46,000)
Inc - cont oper	$ 335,000	$ 6,000
Loss - discont oper	—	4,000
Net Income	$ 335,000	$ 2,000

* Included in Costs and Expenses, Depreciation and Amortization: $368,000,000 in 1990 and $368,000,000 in 1989.

Assets
(000's)

As of	12/30/90	12/31/89
Cash & cash equiv	$ 372,000	$ 86,000
Accts. receiv., net	1,880,000	1,786,000
*Inventories	1,187,000	1,266,000
Other curr assets	139,000	260,000
Current Assets	$ 3,578,000	$ 3,398,000
≠ Fixed assets	1,859,000	1,903,000
Exc. of cost over assets acq	858,000	895,000
Other assets	565,000	596,000
Total Assets	$ 6,860,000	$ 6,792,000

Liabilities
(000's)

Short-term bank borrowings	$ 40,000	$ 19,000
Long-term debt, curr	25,000	22,000
Accts. payable	778,000	732,000
Accrued payroll	317,000	326,000
Income taxes	230,000	728,000
Customer advances	439,000	228,000
Other curr. liabilities	793,000	840,000
Curr. Liabilities	$ 2,622,000	$ 2,895,000
Long-term debt	1,929,000	1,835,000
+Common stock	70,000	70,000
Add. paid-in capital	707,000	707,000
Retained earnings	2,332,000	2,103,000
Treasury stock	(328,000)	(328,000)
Guarantee of ESOP oblig	(472,000)	(490,000)
Total Liabilities & Shareholders' Equity	$ 6,860,000	$ 6,792,000

* At lower of cost or estimated net realizable value

≠ Less accumulated depreciation and amortization

+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	4.32	—
% Net Income to Sales	3.36	—
% Net Income to Equity	14.51	0.10
Sales to Inventories	8.39	7.81
Debt to Equity	0.86	0.91
Working Capital	$ 956,000,000	$ 503,000,000
Current Ratio	1.36	1.17
Shareholders' Equity	$ 2,309,000,000	$ 2,062,000,000

Logicon, Inc.

3701 Skypark Drive
Torrance, California 90505-4794
(213) 373-0220
FAX (213) 373-0220

Officers: John R. Woodhull, president & chief exec. officer; Frank T. Cummings, v.p.; R. Dean Hartwick, v.p.; Dan B. Wallace, v.p.; James E. Dalton, v.p.; Ralph L. Webster, v.p. & chief financial officer; E. Benjamin Mitchell, Jr., v.p., secretary & general counsel; James F. Harvey, v.p.

Directors: John R. Woodhull*, John K. Brigden, W. Edgar Jessup, Jr.*, Robert S. Dickerman, John R. Johnson, Roland R. Speers*, Robert G. Walden, Allen E. Puckett.

* Member of the Executive Committee

Areas of Work: Provides electronic systems, analysis of military operations, research in the physical sciences and related professional services to industry and government.

Divisions and Subsidiaries:

Operating Systems Division
Arlington, Virginia

Logicon RDA
Los Angeles, California

Logicon Operating Systems
Arlington, Virginia

Logicon Ultrasystems
Irvine, California

Logicon Strategic & Information Systems
255 West Fifth Street
San Pedro, California 90731
(213) 831-0611

Logicon Tactical & Training Systems
Sorrento Valley Boulevard
San Diego, California 92121
(714) 455-1330

Logicon Technical Services, Inc
San Pedro, California

Logicon Control Dynamics
Huntsville, Alabama

Automatic control and dynamics engineering for military and space applications

Logicon Eagle Technology
Winter Park, Florida

Logicon Fourth Generation Technology
La Jolla, California

Transfer Agent(s):

First Interstate Bank of California
Los Angeles, California

Stock Exchange(s): New York

Ticker Symbol: LGN

Number of Employees:

1991	3,000	1988	2,529
1990	3,043	1987	2,382
1989	2,553		

Plant Footage:

1991	979,000 sq. ft	1988	837,000
1990	1,200,000	1987	750,000
1989	1,037,000		

Sales & Earnings

	Revenues †	Net Income
1991	$ 259,959,000	$ 8,577,000
1990	258,462,000	8,623,000
1989	232,406,000	9,648,000
1988	218,886,000	9,068,000
1987	204,773,000	6,071,000

Logicon, Inc.

	No. of Com. Shares	Earn per Share +
1991	3,713,000	$ 2.15
1990	4,341,000	1.90
1989	4,534,000	2.13
1988	4,498,000	1.93
1987	4,758,000	1.27

† Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ 0.36	—	—
1990	0.36	—	—
1989	0.34	—	—
1988	0.31	—	—
1987	0.27	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 69,008,000	$ 18.59
1990	71,941,000	16.57
1989	68,707,000	15.15
1988	60,479,000	13.45
1987	57,952,000	12.18

Income Account *

Year ended March 31	1991	1990
Services & systems	$ 259,005,000	$ 256,990,000
Interest	954,000	1,472,000
Total income	$ 259,959,000	$ 258,462,000
Cost of services & systems	210,489,000	209,274,000
Prov. for contract loss	2,750,000	4,000,000
Expenses	32,598,000	30,817,000
Income before taxes	$ 14,122,000	$ 14,371,000
Income taxes	5,545,000	5,748,000
Net Income	$ 8,577,000	$ 8,623,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,808,000 in 1991 and $4,596,000 in 1990.

Assets

As of March 31	1991	1990
Cash & cash equiv.	$ 3,465,000	$ 3,350,000
Short-term invest.	12,982,000	9,508,000
Acct. receiv., net	64,690,000	71,516,000
Prepaid expenses	1,654,000	1,404,000
Current Assets	$ 82,791,000	$ 85,778,000
#Fixed assets	6,934,000	7,933,000
Exc. of cost over assets acq.	7,796,000	7,790,000
Escrow acct. secur. conting. purch. price	833,000	1,250,000
Total Assets	$ 98,354,000	$ 102,751,000

Liabilities

Accts. payable & accruals	$ 9,162,000	$ 9,257,000
Accrued payroll	16,498,000	17,223,000
Income taxes	3,686,000	4,330,000
Curr. Liabilities	$ 29,346,000	$ 30,810,000
+Common stock	371,000	434,000
Add. paid-in capital	8,102,000	8,769,000
Retained earnings	61,918,000	63,964,000
Unearned compensation	(1,383,000)	(1,226,000)
Total Liabilities & Shareholders' Equity	$ 98,354,000	$ 102,751,000

Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.45	5.59
% Net Income to Sales	3.31	3.36
% Net Income to Equity	12.43	11.99
Working Capital	$ 53,445,000	$ 54,968,000
Current Ratio	2.82	2.78
Shareholders' Equity	$ 69,008,000	$ 71,941,000

LogiMetrics, Inc.

121-03 Dupont Street
Plainview, New York 11803
(516) 349-1700
FAX: (516) 349-8552

Officers: Murray H. Feigenbaum, president; Jerome Deutsch, exec. v.p.; George Rabin, v.p.-operations; Eugene Blum, v.p.-marketing.

Directors: Murray H. Feigenbaum, Alfred Mendelsohn, Jerome Deutsch, Ralph Wertheimer, George Rabin.

Areas of Work: Engaged in the development, manufacture and sale of traveling wave tube amplifiers, and complete electronic test systems. Repairs and supplies spare parts for radio frequency generators.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Number of Employees:

1990	72	1987	85
1989	68	1986	75
1988	N.A.		

Plant Footage:

1990	23,000 sq. ft.	1987	26,000
1989	23,000	1986	26,000
1988	N.A.		

N.A. - Not Available.

Sales & Earnings‡

	Net Sales	Net Income #
1990	$ 9,863,915	$ 405,166
1989	8,253,434	214,340
1988	6,272,029	(1,406,583)
1987	9,240,827	225,891
1986	7,742,585	794,779

	No. of Com. Shares +	Earn per Share #‡
1990	2,630,690	$ 0.15
1989	2,630,690	0.08
1988	2,630,690	—
1987	2,630,690	0.07
1986	2,616,940	0.33

(Loss)
Including extraordinary gains of $164,000 ($0.06 per share) in 1990, $87,000 ($0.03 per share) in 1989 and $617,062 ($0.26 per share) in 1986.
+ Class A and Class B common shares combined adjusted to reflect stock split.
‡ Based on the weighted average number of Class A and Class B common shares combined adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 1,733,531	$ 0.66
1989	1,328,365	0.50
1988	1,114,025	0.42
1987	2,505,608	0.95
1986	2,267,216	0.87

‡ Based on Class A and Class B common shares combined adjusted to reflect stock split.

Income Account *

Year ended June 30	1990	1989
Net sales	$ 9,863,915	$ 8,253,434
Cost of sales	6,919,215	5,910,837
Expenses	2,224,789	1,814,208
Interest expense	314,745	314,049
Income bef. taxes	$ 405,166	$ 214,340
Income taxes	164,000	87,000
Net Income	$ 241,166	$ 127,340
Extraord. gain	164,000	87,000
Net Income & extraord. gain	$ 405,166	$ 214,340

* Included in Costs and Expenses, Depreciation and Amortization: $160,471 in 1990 and $162,213 in 1989.

Assets

As of June 30	1990	1989
Cash	$ 254,688	$ 232,781
Accts. receiv., net	2,087,985	1,449,386
Costs in exc. of billings on uncomplet. contracts	1,589,695	1,802,337
*Inventories	2,074,862	1,866,208
Prepaid exp. & other assets	36,719	44,575
Current Assets	$ 6,043,949	$ 5,395,287
# Fixed assets	451,302	506,576
Other assets	54,126	52,937
Total Assets	$ 6,549,377	$ 5,954,800

Liabilities

Accts. payable & accruals	$ 2,095,549	$ 1,819,087
Long-term debt, curr.	2,596,689	2,567,348
Curr. Liabilities	$ 4,692,238	$ 4,386,435

Long-term debt		123,608		240,000
+ Common stock				
Class A		238,069		238,069
Class B		25,000		25,000
Add. paid-in capital		2,092,847		2,092,847
Retained earnings (deficit)		(279,385)		(684,551)
Stock subscrip. receiv.		(343,000)		(343,000)
Total Liabilities & Shareholders' Equity	$	6,549,377	$	5,954,800

• At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization.
+ $0.10 par value

Statistical Summary

% Income bef. Taxes to Sales		4.11		2.60
% Net Income to Sales		2.44		1.54
% Net Income to Equity		13.91		9.59
Sales to Inventories		4.75		4.42
Debt to Equity		1.57		2.11
Working Capital	$	1,351,711	$	1,008,852
Current Ratio		1.29		1.23
Shareholders' Equity	$	1,733,531	$	1,328,365

Loral Corporation

600 Third Avenue
New York, New York 10016
(212) 697-1105
FAX: (212) 661-8988

Officers: Bernard L. Schwartz, chairman of the board & chief executive officer; Frank C. Lanza, president & chief operating officer; Hugh Bennett, group v.p.; Richard W. Koepke, group v.p.-products; Bernard Leibowitz, group v.p.-Microwave & pres.-Loral Microwave-Narda; Michael P. DeBlasio, sr. v.p.-finance; Robert V. LaPenta, sr. v.p. & controller; Michael B. Targoff, sr. v.p., general counsel & secretary; Robert Welte, v.p. & president-Loral Electronic Systems; Stephen L. Jackson, v.p.-administration; Nicholas C. Moren, v.p. & treasurer; William F. Gates, v.p. & pres.-Loral Randtron Systems; Lawrence H. Schwartz, v.p.-technology; Elizabeth Heller Allen, dir.-communications; Bertram Bell, asst. v.p.; Lisa Stein-McMeekin, asst. secretary.

Directors: Bernard L. Schwartz*, chairman; Howard Gittis, Gershon Kekst, Robert B. Hodes*, E. Donald Shapiro, Allen M. Shinn, Malvin Ruderman, Daniel Yankelovich, Frank C. Lanza, Thomas J. Stanton, Jr., Homer N. Chapin.

* Member of the Executive Committee

Area of Work: Designs, develops and manufactures electronics products including systems and components for airborne and shipboard self-protection, antisubmarine warfare, scene correlation guidance and target recognition including high-resolution imaging, C3 (command, control, communications) and telemetry reconnaissance, and simulation for military training.

Divisions and Subsidiaries:

Loral Aeronutronic
Newport Beach, California

Loral Aerosys
Seabrook, Maryland

Loral Command & Control Systems
Colorado Springs, Colorado

Loral Systems Manufacturing Company
435 Moreland Road
Hauppauge, New York 11788
Airborne radar warning receivers.

Loral Control Systems
Archbald, Pennsylvania 18403
(717) 876-1500
Instruments and controls for naval vessels, armament fuzing systems, and measurement systems.

Loral Space Information Systems
Houston, Texas

Loral Space & Range Systems
Sunnyvale, California

Loral Defense Systems-Akron
1210 Massillon Road
Akron, Ohio 44315
(216) 796-2800
Manufactures undersea warfare systems, tactical ordnance systems, guidance & control systems, digital data processors; recovery and retardation systems; simulators and trainers.

Loral Training & Technical Services
Horsham, Pennsylvania

Loral Western Development Labs
San Jose, California

Loral Data Systems
P.O. Box 3041
6000 Fruitville Road
Sarasota, Florida 34230
(813) 371-0811
Telemetry and signal processing systems, instrumentation tape recorders, and aviation flight data and voice recorders.

Space Systems/Loral
Palo Alto, California

Loral Defense Systems-Arizona
1300 South Litchfield Road
Goodyear, Arizona 85338
(602) 925-7000
Manufacures synthetic aperture airborne reconnaissance systems; radar systems; guidance & control systems; simulators & trainers; geoscience mapping services; target recognition image processors; shelters; transparent plastic products.

Loral Fairchild Imaging Sensors
1801 McCarthy Blvd.
Milpitas, California 95035
(408) 433-2500
Visible and infrared focal plane arrays and sensors.

Loral Electronic Systems
Ridge Hill
Yonkers, New York 10710
(914) 968-2500
Develops and manufactures airborne radar warning receivers, self-protection systems, electronic surveillance systems, targeting systems, electronic environment simulators.

Loral Fairchild Systems
300 Robbins Lane
Syosset, New York 11791
(516) 349-2200
Electro-optical reconnaissance and surveillance systems, target sensors, and flight-line test equipment.

Loral Conic
9020 Balboa Avenue
San Diego, California 92123
(714) 279-0411
Supplies telemetry equipment for military applications.

Loral Randtron Systems
130 Constitution Drive
Menlo Park, California 94025
(415) 326-9500
Advanced microwave antenna assemblies.

Loral International
999 Central Park Avenue
Yonkers, New York 10704
(914) 964-6520
Systems design and foreign marketing.

Loral Rolm Mil-Spec Computers
One River Oaks Place
San Jose, California 95134
(408) 432-8000
Militarized computers and software for defense electronic systems in shipboard, airborne, and ground-based applications.

Loral Electro-Optical Systems
P.O. Box 7101
300 North Halstead Street
Pasadena, California 91109
(818) 351-3555
Infrared countermeasures, laser-based simulation systems for military training, electro-optical devices, space power sub-systems.

Loral Instrumentation
8401 Aero Drive
San Diego, California 92123
(619) 560-5888
Data acquisition and analysis systems for real time applications.

Loral Information Display Systems
6765 Peachtree Industrial Boulevard
Atlanta, Georgia 30360
(404) 448-1604
Information and graphic display systems.

Loral Microwave - Narda
435 Moreland Road
Hauppauge, New York 11788
(516) 231-1700
Passive and active microwave components, integrated microwave assembles, test equipment.

Loral Microwave - Narda West
214 Devcon Drive
San Jose, California 95112
(408) 436-4400
Passive and active microwave components, GaAs FET semiconductors, integrated assembles.

Loral Microwave - Wavecom
9036 Winnetka Avenue
Northridge, California 91324
(818) 882-3010
High-reliability microwave filters, electro-mechanical switches, and components for satellite applications.

Loral Microwave - FSI
16 Maple Road
Chelmsford, Massachusetts 01824
(617) 256-4113
Passive and active microwave components, specialized semiconductors, integrated assembles.

Loral TerraCom
9020 Balboa Avenue
San Diego, California 92123
(619) 278-4100
Portable microwave and high-frequency tactical radios.

Loral American Beryllium
1600 Tallevast Road
P.O. Box 1087
Tallevast, Florida 34270
(813) 355-5105
Precision-machined exotic metals for aerospace and energy applications.

Loral Infrared & Imaging Systems
2 Forbes Road
Lexington, Massachusetts 02173
(617) 862-6222
Electro-optical detectors and systems for ground, airborne and space platforms.

Loral Hycor
Ten Gill Street
Woburn, Massachusetts 01801
(617) 935-5950
Radar and infrared expendable countermeasures systems for shipboard and aircraft defense.

Loral Solartron
580 Great Cambridge Road
Enfield, Middlesex, England
(01) 367-3146
Laser-based and CGI simulation systems for training.

Transfer Agent(s):

First Interstate Bank, Ltd
One Exchange Place
55 Broadway
New York, New York 10006

Stock Exchange(s): New York

Ticker Symbol: LOR

Number of Employees:

1991	26,000	1988	13,700
1990	12,667	1987	14,500
1989	10,373		

Loral Corporation

Plant Footage:

1991	N.A.	1989	6,227,000
1990	8,062,000 sq. ft.	1988	7,885,000

N.A. - Not Available

Sales & Earnings

	Net Sales +	Net Income
1991	$ 2,126,775,000	$ 90,356,000
1990	1,274,306,000	78,235,000
1989	1,187,042,000	87,644,000
1988	1,135,692,000	74,342,000
1987	675,554,000	57,460,000

	No. of Com. Shares	Earn. per Share x
1991	25,941,000	$ 3.55
1990	25,604,000	3.11
1989	25,515,000	3.50
1988	25,320,000	3.01
1987	24,015,000	2.35

+ Of continuing operations only.
x Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ 0.88	—	—
1990	0.80	—	—
1989	0.72	—	—
1988	0.64	—	—
1987	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 671,969,000	$ 25.90
1990	584,521,000	22.83
1989	519,673,000	20.37
1988	440,106,000	17.38
1987	365,311,000	15.21

Income Account *
(000's)

Year ended March 31	1991	1990
Net sales	$ 2,126,775	$ 1,274,306
Cost of sales & expenses	1,911,312	1,125,579
Interest income	(9,270)	(14,708)
Interest expense	58,932	40,374
Income before taxes	$ 165,801	$ 123,061
Income taxes	61,346	45,533
Minority interest	11,664	—
Eq. in loss of affil.	2,435	—
Inc.-cont. oper.	$ 90,356	$ 77,528
Inc-discont. oper.	—	707
Net Income	$ 90,356	$ 78,235

* Included in Costs and Expenses, Depreciation and Amortization: $100,116,000 in 1991 and $78,688,000 in 1990.

Assets
(000's)

As of March 31	1991	1990
Cash & cash equiv.	$ 75,053	$ 105,029
Accts. receiv.	715,595	359,668
*Inventories	365,080	270,030
Other curr. assets	21,742	14,092
Current Assets	$ 1,177,470	$ 748,819
≠Fixed assets	659,272	457,881
Cost in exc. of assets acq.	295,592	272,396
Invest. in affil.	164,979	—
Other assets	234,846	65,681
Total Assets	$ 2,532,159	$ 1,544,777

Liabilities
(000's)

Long-term debt, curr.	$ 37,568	$ 18,561
Accts. payable	195,588	134,987
Customer advances	105,573	27,676
Accrued salaries & wages	138,569	59,109
Income taxes	75,824	62,901
Other curr. liab.	166,652	132,997
Curr. liabilities	$ 719,774	$ 436,231
Long-term liabilities	134,956	69,741
Long-term debt	783,669	419,058
Minority interest	159,613	—
Deferred inc. taxes	62,178	35,226
+Common stock	6,489	6,404
Add. paid-in capital	197,460	174,103
Retained earnings	496,391	428,125
Treasury stock	(348)	(164)
Unearned compensation	(27,658)	(23,592)
Cum. trans. adjust.	(365)	(355)
Total Liabilities & Shareholders' Equity	$ 2,532,159	$ 1,544,777

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.80	—
% Net Income to Sales	4.25	—
% Net Income to Equity	13.45	13.38
Sales to Inventories	5.83	4.72
Debt to Equity	1.22	0.75
Working Capital	$ 457,696,000	$ 312,588,000
Current Ratio	1.64	1.72
Shareholders' Equity	$ 671,969,000	$ 584,521,000

LSI Logic Corporation

1551 McCarthy Boulevard
Milpitas, California 95035
(408) 433-8000
FAX: (408) 434-6457

Officers: Wilfred J. Corrigan, chairman & chief exec. officer; A. Travis White, president-LSI Logic Corp. of Canada, Inc.; George D. Wells, president & chief operating officer; John T. Dickson, president-Headland Technology Inc.; Cyril F. Hannon, exec. v.p.-Worldwide Operations; Robert N. Blair, sr. v.p.-ASIC marketing; Perry C. Constantine, sr. v.p.-Rest of World Markets; Keiske K. Yawata, pres.-LSI Logic K.K. (Japan); Murray L. McLachlan, v.p. & chief development officer; Edward J. Cannon, v.p.-Management Information Systems; Patrick S. Jones, v.p. & chief financial officer; James S. Koford, sr. v.p.-ASIC Engineering & Chief technical officer; Conrad J. Dell'Oca, v.p.-research & development; Lewis C. Wallbridge, v.p.-industrial relations & corp. services; Charles H. Smith, v.p.-Customer Service & Logistics; Cyril F. Hannon, v.p.-components & technology; Lewis C. Wallbridge, v.p.-human resources; James S. Koford, v.p.-software & computer services; Joseph M. Zelayeta, v.p.-wafer manufacturing operations; Bruce L. Entin, v.p.-investor relations & corp. communications; Brian L. Halla, sr. v.p.-Microprocessor & DSP Products; Robert M. Skinner, v.p.-U.S. sales; Edwin R. Jones, v.p.-design automation; David R. LaRock, v.p.-area sales; Horst G. Sandford, president-LSI Logic Europe plc; Robert M. Walker, v.p.-technical marketing services; Daniel Wong, v.p.-ASIC design; Kamal K. Aggarwal, v.p.-assembly test & packaging; Peng Ang, v.p.-DSP division; Norman W. Chanoski, v.p.-military/aerospace operations; Michael M. Cully, v.p.-controller; J. Carlos Dangelo, v.p.-open systems operation; Conrad J. Dell'Oca, v.p.-strategic technologies; Amnon Fisher, v.p.-SPARC systems division; william J. O'Meara, v.p.-LSI Logic Europe plc; Gerald B. Thomas, v.p.-LSI Logic Europe plc.

Directors: Wilfred J. Corrigan, chairman; George D. Wells, James H. Keyes, L. William Krause, Larry W. Sonsini.

Areas of Work: Engaged in the design, development, manufacture and marketing of application-specific integrated circuits for use in electronic data processing, the military, aerospace and telecommunications industries. The Company also designs and manufactures standard products, including microprocessors and digital signal processing circuits, as well as chip sets and graphic adaptor boards aimed primarily at the personal computer industry.

Major Subsidiaries:

LSI Logic Europe plc
Grenville Place
The Ring
Bracknell, Berkshire RG121BP, United Kingdom

LSI Logic K.K.
Kokusai-Shin Akasaka
6-1-20 Akasaka, Minato-ku
Tokyo, 107, Japan

LSI Logic Corporation of Canada, Inc.
Petro-Canada Centre, Suite 3410
150-6th Avenue SW
Calgary, Alberta T2P 3Y7, Canada

Nihon Semiconductor Inc.
10, Kitahara, Tsukuba-city
Ibaraki-ken, Japan

G2 Incorporated
100 Homeland Courtulevard
San Jose, California 95112
(408) 452-8322
Markets high volume, highly integrated logic and graphic chip sets for the personal computer marketplace.

Video Seven Inc.
Designs and manufactures high-performance video graphics adaptors utilizing application-specific integrated circuit technology.

Transfer Agent(s):

Bank of America NT & SA
555 California Street
San Francisco, California 94104

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LLSI (NASDAQ)

Number of Employees:

1990	4,401	1987	2,322
1989	3,706	1986	1,821
1988	3,229		

Plant Footage:

1990	N.A.	1988	1,100,000 sq. ft.
1989	N.A.	1987	1,061,472

N.A.- Not Available

Sales & Earnings

	Revenues	Net Income †
1990	$ 655,491,000	$ (32,995,000)
1989	546,870,000	(24,892,000)
1988	378,908,000	24,702,000
1987	262,131,000	11,340,000
1986	194,335,000	3,855,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	42,063,000	$ —
1989	41,305,000	—
1988	41,133,000	0.60
1987	40,674,000	0.28
1986	40,191,000	0.10

(Loss)
† Including extraordinary gains of $955,000 in 1990, $859,000 ($0.02 per share) in 1988 and $594,000 ($0.01 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1990	1989	1988	1987
Component products	85 %	83 %	74 %	63 %
Design and services	15	17	26	37
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 275,739,000	$ 6.56
1989	297,349,000	7.20
1988	331,604,000	8.06
1987	308,230,000	7.58
1986	250,989,000	6.24

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Revenues	$ 655,491	$ 546,870
Cost of revenues	487,759	424,544
Expenses	177,514	152,342
Interest expense	21,256	17,341
Interest income	(12,517)	(12,494)
Loss bef. taxes	$ (18,521)	$ (34,863)
Income taxes (credit)	14,364	(4,886)
Minority interest	1,065	(5,085)
Net Loss	$ (33,950)	$ (24,892)
Extraord. gain	955	—
Net Loss & extraord. gain	$ (32,995)	$ (24,892)

* Included in Costs and Expenses, Depreciation and Amortization: $117,805,000 in 1990 and $93,703,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 140,270	$ 120,035
Short-term invest.	18,417	32,867
Accts. receiv., net	114,978	105,839
*Inventories	124,831	114,918
Prepaid exp. & other curr. assets	40,385	18,193
Current Assets	$ 438,881	$ 391,852
♯Fixed assets	328,707	349,348
Other assets	16,418	23,961
Total Assets	$ 784,006	$ 765,161

Liabilities
(000's)

Long-term debt, curr.	$ 59,375	$ 51,456
Accts. payable	66,918	48,917
Accrued payroll	13,560	11,827
Accrued restruc. costs	11,381	9,638
Other accruals	36,761	28,023
Income taxes	4,802	947
Curr. Liabilities	$ 192,797	$ 150,808
Long-term debt	189,795	204,443
Deferred inc. taxes	27,092	17,826
Minority interest	98,583	94,735
+ Common stock	421	411
Add. paid-in capital	225,678	219,793
Retained earnings	14,454	47,449
Cum. trans. adjust.	35,186	29,696
Total Liabilities & Shareholders' Equity	$ 784,006	$ 765,161

* At lower of cost (FIFO) or market. Work-in-process and finished goods are on a currently adjusted standard basis.
♯ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Debt to Equity	0.90	0.86
Working Capital	$ 246,084,000	$ 241,044,000
Current Ratio	2.28	2.60
Shareholders' Equity	$ 275,739,000	$ 297,349,000

The LTV Corporation

(Operating under Chapter 11 of the U.S. Bankruptcy Code.)

P.O. Box 655003
Dallas, Texas 75265-5003
(214) 979-7711
FAX: (214) 979-7946

Officers: Raymond A. Hay, chairman of the board; David H. Hoag, chief exec. officer; J. Peter Kelly, president; Smith Smith, exec. v.p. & general counsel; Julian Scheer, sr. v.p.-corporate affairs; James F. Powers, sr. v.p. & chief financial officer; Richard J. Boyle, exec. v.p.-Aerospace & Defense; Gary D. Nicholson, group v.p.; Roger A. Dunn, sr. v.p.-human resources; Maxine C. Champion, v.p.-government relations; K. C. Caldabaugh, v.p. & treasurer; William P. Twomey, v.p. & controller; Hal C. Hedrick, Jr., secretary.

Directors: Raymold A. Hay*, chairman; David H. Hoag*, William H. Bricker*, Edward C. Joullian, III*, James M. Roche, Roy H. Holdt, John C. Evans, Donald A. Hicks, George F. Solomon, Colin C. Blaydon, Richard J. Boyle, James F. Powers.

* Member of the Executive Committee

Areas of Work: A multi-industry operating company involved in steel, aerospace/defense and energy products. It is a primary supplier of steel products to the automotive, appliance and construction industries; missiles, aircraft components, tactical wheeled vehicles and electronics to the defense and commercial aerospace markets, and tubular products, oil field supplies, and drilling and production equipment to the petroleum industry.

Divisions and Subsidiaries:

LTV Energy Products Company
Product line includes a complete range of drilling equipment such as derricks, drawworks, mud pumps, swivels, blocks, rotary machines and other complementary equipment for landbased and offshore rigs, surface and subsurface production equipment and slurry pumping equipment. Also manufactures marine transfer systems used to load and unload large volumes of petroleum products to and from oil tankers.

LTV Aerospace & Defense Company
AM General Corporation

Aircraft Products Group
The group is primarily a subcontractor for military and commercial aircraft structures and components and advanced development programs. The group also provides programs to modernize, upgrade and support military aircraft previosuly produced by the Company.

Missiles and Electronics Group
The missiles and electronics group is engaged in the design, research and development, and/or production of missiles and rocket systems, space defense systems and other aerospace and defense products. It also makes precision guidance and position-tracking radar systems, tactical data links, aircraft stationkeeping systems, airborne platform-telemetry relay systems and flight inspection and tactical air navigation systems and produces and sells military wheeled vehicles (the "Hummer") and service parts for the vehicles it previously sold, principally to agencies of the United States and foreign governments.

LTV Steel Company, Inc.
Manufactures hot and cold rolled sheet for the automotive and consumer durable goods markets.

Transfer Agent(s):

Ameritrust Texas National Association
P.O. Box 2320
Dallas, Texas 75221-2320

Stock Exchange(s): New York, Pacific

Ticker Symbol: QLTV

Number of Employees:

1990	35,300	1987	48,200
1989	38,000	1986	48,300
1988	38,800		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 6,138,300	$ 70,900
1989	6,362,100	264,900
1988	7,324,700	(3,153,600)
1987	7,581,800	502,600
1986	7,271,400	(3,268,300)

	No. of Com. Shares	Earn. per Shares ‡
1990	114,517,372	$ 0.38
1989	108,630,352	2.06
1988	104,729,398	—
1987	100,264,408	4.24
1986	94,727,919	—

(Loss)
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Steel	$ 3,860,400	$ 4,086,000
Aircraft prods.	796,600	673,200
Missiles & electronics	1,192,800	1,367,000
Energy prods.	318,400	268,300
Interseg. sales	(29,900)	(32,400)
Total	$ 6,138,300	$ 6,362,100

Common Stock Equity
(000's)

	Total Equity +	Equity Per Share
1990	$ (4,854,100)	$ —
1989	(4,929,700)	—
1988	(5,193,700)	—
1987	(2,052,900)	—
1986	(2,587,200)	—

(Deficiency)
+ After allowing for preferred stock at par values.

Income Account
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 6,138,300	$ 6,362,100
Cost of sales	5,534,200	5,582,800
Expenses	348,900	351,000
Depreciation & amortization	238,200	232,100
Special charges	25,000	30,000
Interest expense	6,800	6,500
Interest income	(91,000)	(103,200)
Other income	(50,100)	(62,200)
Chap. XI adm. exp	33,000	38,400
Income before taxes	$ 93,300	$ 286,700
Income taxes	22,400	21,800
Net Income	$ 70,900	$ 264,900

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 1,082,100	$ 1,019,300
Receivables, net	606,100	749,400
*Inventories	1,272,400	1,180,800
Prepaid expenses	44,100	58,800
Current Assets	$ 3,004,700	$ 3,008,300
Investments & other assets	455,300	433,000
#Fixed assets	3,051,200	2,894,900
Total Assets	$ 6,511,200	$ 6,336,200

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 4,900	$ 5,000
Accts. payable	344,500	368,600
Accrued compensation	498,100	475,600
Other accruals	223,100	287,500
Income taxes	12,000	11,400
Curr. Liabilities	$ 1,082,600	$ 1,148,100
Long-term debt	12,600	16,800
Deferrals & other liab.	3,362,100	3,175,300
Liab. deferred pursuant to Chap. XI proc.	6,829,500	6,834,100
+Series A & Series C preferred stock-mandatory redemp.	69,700	81,700
++Series B pref. stock	6,000	6,000
+++Series D pref. stock	2,800	3,900
++++Common stock	57,300	54,300
Add. paid-in capital	1,655,800	1,651,700
Retained earnings (deficit)	(6,464,800)	(6,535,700)
Min. pension liab. adjust.	(34,600)	(20,400)
Exc. of redemp. value over par Series A & Series C pref.	(67,800)	(79,600)
Total Liabilities & Shareholders Equity	$ 6,511,200	$ 6,336,200

* At lower of cost (LIFO) or market.

# Less accumulated depreciation.

+ $5 par value, $5 cumulative-Series A. $1 par value, $5.25 cumulative-Series C.

++ $1 par value, $3.06 cumulative.

+++ $1 par value, $1.25 cumulative.

++++ $0.50 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	1.52	4.51
% Net Income to Sales	1.16	4.16
Sales to Inventories	4.82	5.39
Working Capital (000's)	$ 1,922,100	$ 1,860,200
Current Ratio	2.78	2.62
Shareholders' Equity (Deficiency) (000's)	$ (4,845,300)	$ (4,919,800)

Lucas Industries plc

Great King Street
Birmingham B19 2XF, England

Directors: Sam Edwards, John F. C. Hull, Antony Edwards, C. G. Southgate, J. White, A. K. Gill, David Hankinson, R. A. Dale, Lord Armstrong, Desmond O'Connell.

Areas of Work: Manufactures electrical, electronic, hydraulic and mechanical equipment used on internal combustion, diesel and gas turbine engines, road and rail vehicles, ships, aircraft, defense and industrial applications.

Subsidiaries (United Kingdom):

Leslie Hartridge Ltd.
Lucas Aerospace Ltd.
Lucas Bradley Electronics Ltd.
Lucas Bryce Ltd.
Lucas CEL Instruments Ltd.
Lucas Dawe Ultrasonics Ltd.
Lucas Engineering & Systems Ltd.
Lucas Fluid Power Ltd.
Grau Girling Ltd.
Lucas Industrial Systems Ltd.
Lucas Kienzle Instruments Ltd. (60% owned)
Lucas NSF Ltd.
Lucas Semicomps Ltd.
Lucas Aerospace UK Ltd.
Lucas Stability Electronics Ltd.
Lucas Trading Ltd.
Rists Ltd.
Lucas Autocentres Ltd.
Lucas Service UK Ltd.
Lucas Duralith Ltd.
Lucas Industrial Components Ltd.
Lucas Industrial Measurement Ltd.
Lucas NSF Controls Ltd.
Schaevitz EM Ltd.
Lucas Yuasa Batteries Ltd. (50% owned)
Lucas Methode Connectors Ltd.

Subsidiaries (U.S.A.):

Lucas AUL Inc.
Lucas Duralith Corporation
Hartridge Equipment Corporation
Ledex Inc.
Lucas Fluid Power Inc.
Lucas Industries Inc.
Lucas Aerospace Inc.
Lucas Weinschel Inc.
Lucas Western Inc.
OB Transit Products Inc. (80% owned)
Grason-Stadler Inc.
Rucker Fluid Power Inc.
Schaevitz Engineering Inc.
Seals & Engineering Inc.

Stock Exchange(s): London

Number of Employees:

1990	57,400	1987	62,572
1989	56,000	1986	64,087
1988	59,047		

Sales & Earnings

	Net Sales #	Net Income †	No. of Com. Shares ‡	Earn. per Share † ‡
1990	£2,334,100,000	£ 139,700,000	682,200,000	21.3p
1989	2,187,300,000	137,600,000	674,400,000	21.3
1988	1,972,100,000	91,500,000	566,800,000	19.8
1987	1,820,400,000	38,200,000	506,800,000	16.3
1986	1,715,600,000	20,300,000	N.A.	13.8

N. A. - Not Available.

£ - pound sterling

# Including share of related companies' results.

† Including extraordinary losses of £ 5,500,000 in 1990, £ 5,800,000 in 1989, £ 21,000,000 in 1988, £ 44,500,000 in 1987 and £ 46,300,000 in 1986.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1990	1989
Aerospace	$ 675,500,000	£ 602,200,000
Automotive	1,353,800,000	1,307,000,000
Industrial	304,800,000	278,100,000
Total	£2,334,100,000	£2,187,300,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	7.00p	—	4-for-1
1989	6.25	—	—
1988	5.25	—	—
1987	3.93	—	—
1986	3.20	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1990	£ 810,900,000	118.86p
1989	805,500,000	119.44
1988	660,900,000	116.60
1987	480,500,000	94.81
1986	501,500,000	—

† After allowing for preferred stock at stated value.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Jul. 31	1990	1989
Net sales	£ 2,229,000	£ 2,086,700
Cost of sales	844,900	799,500
Wages & salaries exp.	786,300	715,400
Depreciation	69,600	59,600
Other oper. expenses	332,300	321,700
Share of profits of rel. cos.	(4,600)	(5,000)
Non-recurr. item	(6,900)	—
Interest expense	41,900	32,500
Interest income	(25,700)	(24,100)
Income before taxes	£ 191,200	£ 187,100
Income taxes	44,000	40,700
Minority interests	2,000	3,000
Net Income	£ 145,200	£ 143,400
Extraord. loss	(5,500)	(5,800)
Net Income & extraord. loss	£ 139,700	£ 137,600

Assets
(000's)

As of July 31	1990	1989
Cash	£ 228,700	£ 204,200
Accts. receiv., net	522,500	497,600
*Inventories	457,800	414,000
Current Assets	£ 1,209,000	£ 1,115,800
Investments	30,300	30,000
≠Fixed assets	705,900	647,000
Total Assets	£ 1,945,200	£ 1,792,800

Liabilities
(000's)

Bank loans & overdrafts	£ 165,300	£ 77,700
Accts. payable	257,500	239,100
Fin. lease oblig.	8,400	8,900
Bills of exch.	42,500	31,900
Income taxes	37,200	27,900
Soc. secur. & other taxes	58,600	53,300
Accruals & def. income	170,100	161,200
Proposed dividend	33,800	30,700
Curr. Liabilities	£ 773,400	£ 630,700
Long-term debt	230,800	234,100
Prov. for liab. & charges	94,900	95,400
Deferred income	17,100	12,200
+First preference stock	200	200
++Common stock	172,400	170,100
Add. paid-in capital	278,900	272,200
Revaluation reserves	160,700	161,600
Profit and loss acct.	187,700	188,500
Related companies' reserves	11,200	13,100
Minority interests	17,900	14,700
Total Liabilities & Shareholders' Equity	$ 1,945,200	£ 1,792,800

* At lower of cost and net realizable value.
≠ Less accumulated depreciation.
+ £ 1 par value.
++ 25p par value in 1990; £ 1 par in 1989.

Statistical Summary

% Income bef. Taxes to Sales	8.58	8.97
% Net Income to Sales	6.51	6.87
% Net Income to Equity	17.90	17.80
Sales to Inventories	4.87	5.04
Debt to Equity	0.49	0.51
Working Capital	£ 435,600,000	$ 485,100,000
Current Ratio	1.56	1.77
Shareholders' Equity	£ 811,100,000	£ 805,700,000

Lumonics Inc.

(A private company)

105 Schneider Road
Kanata, Ontario K2K 1Y3, Canada
(613) 592-1460
FAX: (613) 592-7549

(The Company was acquired by Sumitomo Heavy Industries, Ltd. of Tokyo, Japan, May 15, 1989.)

Officers: Robert J. Atkinson, chairman & chief exec. officer; Douglas J. James, exec. v.p. & chief technology officer; Colin R. Avery, v.p.-finance & treasurer; C.J. Gardner, corp. secretary; P.A. Riddell, asst. corp. secretary.

Directors: Robert J. Atkinson, chairman; Charles J. Gardner, Q.C.; A. Naitoh.

Areas of Work: Designs, manufactures and markets a variety of lasers and laser systems for marking, materials processing, scientific and medical applications.

Divisions and Subsidiaries:

Lumonics Corporation
Marking Systems Division
3269 Vista Mercado
Camarillo, California 93010
(805) 987-2211

Lumonics Corporation
Laser Systems Group
6690 Shady Oak Road
Eden Prairie, Minnesota 55344
(612) 941-9530

12163 Globe Road
Livonia, Michigan 48150
(313) 591-0101

Lumonics Ltd.
Cosford Lane, Swift Valley
Rugby, Warwickshire CV21 1QN, England

Lumonics Deutschland GmbH
Bussardstrasse 9
8032 Graefelfing, West Germany

Number of Employees:

1990	714	1987	624
1989	637	1986	540
1988	652		

M/A-COM, Inc.

7 New England Executive Park
Burlington, Massachusetts 01803
(617) 272-9600
FAX: (617) 272-8878

Officers: Thomas A. Vanderslice, chairman, chief exec. officer & president; Jacqueline D. Arthur, v.p. & treasurer; J. Kermit Birchfield, Jr., sr. v.p., secretary & general counsel; James F. Bunker, sr. v.p.-business development; Denis N. Maiorani, sr. v.p. & chief financial officer; Robert H. Glaudel, v.p.-human resources; Joha D. Werderman, v.p. & controller; Richard W. Hale, group v.p.-electro/mechanical components.

Directors: Thomas A. Vanderslice, chairman; Richard T. DiBona, Nelson S. Gifford, Richard W. Hale, Irving J. Helman, George N. Hutton, Jr., George Ingram, Sidney S. Kahn, Robert E. LaBlanc, James D. Meindl, E. James Morton, William F. Pounds, Paul E. Tsongas, Raymond F. Pettit.

Areas of Work: The Company is a leading producer of radio frequency, microwave and millimeter wave semiconductors, components and subsystems for applications in telecommunications, radar, navigation, missile guidance, electronic warfare, surveillance and command-control-communications-intelligence (C3I) systems. The Company also supplies surveillance products used in intelligence collection applications. The Company's products are used primarily in defense electronics systems, but also have numerous commercial applications.

Divisions and Subsidiaries:

M/A-COM Semiconductor Division
M/A-COM Semiconductor Operation
M/A-COM Power Hybrid Operation
M/A-COM Advanced Semiconductor Operation

Silicon and gallium arsenide RF, microwave and millimeter wave diodes, transistors and monolithic integrated circuits.

M/A-COM Solid State Circuits Divisaon
Microwave detectors, mixers, control circuits and modules.

M/A-COM General Products Division
M/A-COM Component Operation
M/A-COM Interconnect Operation
M/A-COM Puerto Rico, Inc.

Microwave connectors and adaptors, stripline and coaxial passive components, electromechanical switches.

M/A-COM, Ltd.
Microwave Associates, Ltd.
Omni Spectra, Ltd.

Microwave semiconductors, passive components, discrete devices and subsystems for the international market.

M/A-COM Active Assemblies Division
Amplifiers, oscillators and subsystems for defense applications operating in the 1 GHZ to 20 GHZ range.

High power solid state amplifiers and complex, multifunction assemblies and subsystems for defense electronic warfare, missile guidance and radar systems.

M/A-COM MAC Division
Point-to-point analog transmission equipment for the broadcast and private communications market, microwave radios for very small aperture earth stations.

M/A-COM Corporate Technology Center
M/A-COM MDM Operation

Development of advanced microwave technology, subassemblies, antenna arrays.

M/A-COM Corporate Marketing
Worldwide marketing network.

Adams-Russell, Inc.
Microwave devices, components, subsystems, surveillance instrumentation and signal processing systems.

Acquisition:

Light Control Systems, Inc.
Designs, manufactures and sells fiber optic cable assemblies primarily for commercial telecommunication appications.

Transfer Agent(s):

Bank of Boston
Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): New York, Boston, Pacific

Ticker Symbol: MAI

Number of Employees:

1990	4,763	1987	4,394
1989	5,467	1986	5,015
1988	4,434		

Plant Footage:

1990	1,837,000 sq. ft.	1987	2,040,000
1989	2,314,000	1986	2,600,000
1988	1,889,000		

Sales & Earnings

	Net Sales ‡	Net Income §
1990	$ 374,719,000	$ (105,410,000)
1989	287,055,000	178,000
1988	265,231,000	18,375,000
1987*	278,784,000	(35,360,000)
1986	280,150,000	8,800,000

	No. of Com. Shares	Earn. per Share §+
1990	24,477,000	$ —
1989	23,994,000	0.01
1988	24,675,000	0.65
1987*	31,428,000	—
1986	42,696,000	0.20

(Loss)
* 53 weeks.
‡ Of continuing operations only.
§ Including extraordinary loss of $4,100,000 ($0.09 per share) in 1986.
+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	0.24	—	—
1988	0.24	—	—
1987	0.24	—	—
1986	0.24	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 105,738,000	$ 4.32
1989	203,751,000	8.49
1988	217,455,000	8.81
1987	268,702,000	8.55
1986	453,853,000	10.63

Income Account *
(000's)

Year ended	9/29/90	9/30/89
Net sales	$ 374,719	$ 287,055
Cost of sales	270,016	206,221
Expenses	127,409	73,931
Interest expense	10,829	7,563
Interest income	(3,816)	(6,234)
Inc (loss) bef. taxes	$ (29,719)	$ 5,574
Income taxes	1,801	1,951
Inc (loss)-cont. oper	$ (31,520)	$ 3,623
Loss-discont. oper	(73,890)	(3,445)
Net Income (Loss)	$ (105,410)	$ 178

* Included in Costs and Expenses, Depreciation and Amortization: $23,594,000 in 1990 and $18,544,000 in 1989.

Assets
(000's)

As of	9/29/90	9/30/89
Cash & cash equiv.	$ 21,344	$ 27,422
Market. securities	4,505	6,280
Accts. receiv., net	63,609	98,397
Unbilled rev. under cust. cont.	12,196	45,552
*Inventories	72,856	105,510
Other curr. assets	1,815	5,368
Net assets - discont. oper	5,065	—
Current Assets	$ 181,390	$ 288,529
≠Fixed assets	117,725	187,766
Notes & other receivs	5,170	9,941
Other assets	34,401	30,878
Net assets - discont. oper	26,236	—
Total Assets	$ 364,922	$ 517,114

Liabilities
(000's)

Notes payable & long-term debt, curr	$ 1,267	$ 56,055
Accts. payable	14,030	24,621
Accruals	75,249	52,472
Accrued payroll	17,814	30,125
Income taxes	18,733	10,064
Curr. Liabilities	$ 127,093	$ 171,337
Long-term debt	88,948	99,012
Deferred inc. taxes	4,300	4,300
Other liabilities	38,843	36,714
+Common stock	44,006	44,006
Add. paid-in capital	222,669	226,509
Retained earnings	67,048	186,095
Deferred comp	(2,782)	(8,884)
Treasury stock	(225,203)	(241,975)
Total Liabilities & Shareholders' Equity	$ 264,922	$ 517,114

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $1 par value

Statistical Summary

% Net Income to Equity	—	0.09
Sales to Inventories	5.14	2.72
Debt to Equity	0.85	0.76
Working Capital	$ 54,297,000	$ 115,192,000
Current Ratio	1.43	1.66
Shareholders' Equity	$ 105,738,000	$ 203,751,000

Magna International, Inc.

36 Apple Creek Boulevard
Markham, Ontario L3R 4Y4, Canada
(416) 477-7766
FAX: (416) 475-0776

Officers: Frank Stronach, chairman of the board; Manfred Gingl, president & chief executive officer; James R. McAlpine, vice chairman & chief financial officer; Neil De Koker, sr. v.p.; Edwin L. Stringer, sr. v.p. & counsel-labor and employee relations; Stephen C. Akerfeldt, sr. v.p.-finance & treasurer; H. Jory Kesten, v.p., secretary & corp. counsel; Roderick M. McQueen, v.p.-communications; Patrick Lavelle, v.p.-corp. development; David A. Copeland, v.p.-corp. finance; Donald Parker, v.p.-business systems; Franz Reiterer, v.p.-employee relations; James Nicol, v.p.-special projects; Guenther Heidbuechel, v.p.-manufacturing; W. Fraser Wray, v.p.-new business ventures; J. Brian Colburn, v.p.; Edward E. Parent, v.p.; Frank Burke, asst. treasurer; Gary Love, asst. treasurer; Paul Robinson, controller; Michael McCarthy, asst. controller.

Directors: Manfred Gingl, James F. McCallum, Frank Stronach, William G. Davis, William B. Boggs, Edward C. Lumley, George C. Hitchman, Donald Resnick, Belinda Stronach.

Areas of Work: Manufacturer of metal products, decorative products, mechanical devices, electronic and sheet metal components, accessories and parts for the North American automotive industry. Also engaged in the design, engineering and assembly of motor vehicles.

Divisions and Subsidiaries:

Atoma International Inc
521 Newpark Boulevard
Newmarket, Ontario L3Y 4X7, Canada
(416) 737-0796

Products a large variety of electro-mechanical devices, electronic components, instrument clusters and intricate mechanical assemblies for the automotive industry.

Decoma International Inc
353 Wildcat Road
Downsview, Ontario M3J 2S3, Canada
(416) 665-4611

Develops and produces a variety of metal trim and plastic components including bumper covers, fascias, body panels and decorative trim products.

Cosma International Inc
7655 Bramalea Road
Brampton, Ontario L4T 4Y5, Canada
(416) 458-0930

Manufacturer of exterior body sheet metal components and brake component systems.

Tesma International Inc
300 Edgely Boulevard
Concord, Ontario L4K 3Y3, Canada
(416) 738-1236

Manufactures engine, transmission, and cooling components and systems and aluminum die cast and machined components.

Vehma International Inc
330 Cochrane Drive
Markham, Ontario L3R 8E4, Canada
(416) 477-1489

Engaged in the design, engineering and assembly of motor vehicles.

Symatec
300 Edgeley Boulevard
Concord, Ontario L4K 3Y3, Canada
(416) 738-1236

Magna International GmbH
Altenhasslauer Weg 5-7
6460 Gelnhausen 1
Germany

Transfer Agent(s):

Canada Trust Company
Toronto, Calgary, Halifax, Montreal
Regina, Vancouver, Winnipeg
Canada

Bank of Nova Scotia Trust Company of New York
New York, New York

Stock Exchange(s): Toronto, Over-the-Counter

Ticker Symbol: MG.A & MG.B (Toronto), MAGAF (NASDAQ)

Number of Employees:

1990	16,000	1987	12,000
1989	17,500	1986	10,300
1988	15,800		

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,927,185,000	$ (224,122,000)
1989	1,923,657,000	33,611,000
1988	1,458,603,000	19,542,000
1987	1,152,463,000	40,345,000
1986	1,027,776,000	47,259,000

	No. of Com. Shares ≠	Earn per Share †
1990	27,819,419	$ —
1989	27,819,419	1.21
1988	27,819,419	0.70
1987	27,886,919	1.56
1986	25,371,747	1.93

( ) Loss
≠ Class A Common and Class B shares combined
† Based on the weighted average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.24	—	—
1989	0.48	—	—
1988	0.48	—	—
1987	0.48	—	—
1986	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 231,113,000	$ 8.31
1989	464,316,000	16.69
1988	446,081,000	16.03
1987	448,905,000	16.10
1986	345,910,000	13.63

† Class A Common and Class B shares combined

Income Account
(000's)

Year ended July 31	1990	1989
Net sales	$ 1,927,185	$ 1,923,657
Cost of sales	1,567,432	1,534,864
Depreciation & amortization	104,243	99,390
Expenses	203,129	203,752
Interest expense	85,461	73,045
Equity loss (income)	17,210	(3,682)
Restruc. provision	169,200	—
Special provision	—	30,300
Gain on sale of real estate	(20,692)	(63,765)
Gains on issuance of subsid. shares	—	(8,700)
Inc. (loss) bef. taxes	$ (198,798)	$ 58,453
Income taxes	23,800	23,250
Minority interest	1,724	1,592
Net Income (Loss)	$ (224,322)	$ 33,611

Assets
(000's)

As of July 31	1990	1989
Cash	$ 99,970	$ —
Accts. receiv., net	193,711	328,911
*Inventories	168,899	255,280
Prepaid expenses	14,443	16,746
Net assets to be sold	297,182	—
Current Assets	$ 774,205	$ 600,937
Investments	145,797	116,425
# Fixed assets	781,284	1,101,217
Intangibles	12,409	21,356
Other assets	41,199	23,182
Total Assets	$ 1,754,894	$ 1,863,117

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ —	$ 15,835
Bank indebtedness	—	220,005
Accts. payable	216,608	251,961
Accrued payroll	37,877	38,269
Other accruals	29,707	19,223
Income taxes payable	6,321	—
Debt to be restructured	1,029,969	—
Curr. Liabilities	$ 1,320,482	$ 545,293
Long-term debt	—	685,909
Def. gains & financing oblig.	12,743	2,922
Deferred inc. taxes	69,276	57,444
Minority interest	121,280	107,233
• Class A common stock	289,977	289,976
• Class B common stock	1,511	1,512
Retained earnings (deficit)	(51,543)	179,456
Curr. trans. adjust.	(8,832)	(6,628)
Total Liabilities & Shareholders' Equity	$ 1,754,894	$ 1,863,117

* At lower of cost (FIFO) or net realizable value

# Less accumulated depreciation

• No par value

Statistical Summary

	1990	1989
% Income bef. taxes to Sales	—	3.04
% Net Income to sales	—	1.75
% Net Income to Equity	—	7.24
Sales to Inventories	11.41	7.54
Debt to Equity	4.46	1.99
Working Capital	—	$ 55,644,000
Current Ratio	—	1.10
Shareholders' Equity	$ 231,113,000	$ 464,316,000

Mark Controls Corporation

5202 Old Orchard Road
Skokie, Illinois 60077
(708) 470-8585
FAX (708) 470-9774

Officers: William E. Bendix, president & chief executive officer; J. Emmett Hammond, sr. v.p.-finance & secretary; Eugene J. Tully, sr. v.p.; Michael N. Powell, sr. v.p.; Robert L. Barch, v.p.; Kenneth J. Wroblewski, controller & assistant secretary

Directors: Merle H. Banta, William E. Bendix, Frank A. Ehmann, James M. Reed, Dalton L. Knauss

Areas of Work: The Company manufactures, sells and services industrial and commercial equipment. Products of the current business units are primarily used in flow control applications, and include pneumatic and electronic controllers, regulators, temperature controllers, mixing valves, valves controlled by pneumatic and electric actuators and associated instruments, as well as manually controlled valves and iron castings.

Divisions and Subsidiaries:

Center Line
1007 East Admiral Boulevard
Tulsa, Oklahoma 74120
(918) 587-9401
Standard butterfly and wafer check valves.

FlowSeal
3201 Walnut Avenue
Long Beach, California 90807
(213) 430-1094
High-performance butterfly valves.

Powers Process Controls
3400 Oakton Street
Skokie, Illinois 60076
(312) 673-6700
Manufactures and markets a broad line of electronic and pneumatic instruments, specialty control valves and self-contained temperature regulators for the food and beverage, pharmaceutical and chemical industries.

Azonix Corporation
25 Adams Street
Burlington, Massachusetts 01803
(617) 273-5550
Manufactures and markets electronic instruments and controls for use in laboratory and industrial processes.

Pacific Valves
3201 Walnut Avenue
Long Beach, California 90807
(213) 426-2531
Gate, globe and check valves.

Empire Foundry
2729 Charles Page Boulevard
Tulsa, Oklahoma 74127
(918) 587-3327
Specialty iron castings.

Dynalco Controls Corporation
3690 N.W. 53rd Street
Fort Lauderdale, Florida 33309
(305) 739-4300
Produces heavy-duty, reliable electronic instruments and controls, primarily for large stationary engine applications. Products include tachometers, speed switches, temperature monitors, magnetic pick up sensors, governors and overall engine controls.

Mark Controls Europe
Unit 6, Foundry Lane
Horsham, West Sussex RH13 5TL

Mark Controls Asia
38-B Hillview Terrace
Singapore 2366

Transfer Agent(s):

Continental Illinois National Bank and Trust Company of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MRCC (NASDAQ)

Number of Employees:

1990	600	1987	492
1989	610	1986	629
1988	630		

Plant Footage:

1990	425,700 sq. ft.	1988	413,000
1989	413,000	1987	369,000

Sales & Earnings

	Net Sales	Net Income #
1990	$ 81,758,000	$ 2,605,000
1989	76,960,000	2,769,000
1988	68,200,000	3,415,000
1987	58,473,000	2,371,000
1986	66,485,000	(7,659,000)

	No. of Com. Shares ‡ †	Earn. per Share #‡ †
1990	4,914,000	$ 0.53
1989	4,893,000	0.57
1988	4,927,000	0.69
1987	4,906,000	0.48
1986	4,906,000	—

(Loss)

# Including extraordinary gains of $720,000 (0.14 per share) in 1988 and $1,000,000 ($0.20 per share) in 1987.

† Pro forma

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 29,245,000	$ 6.01
1989	26,274,000	5.42
1988	23,888,000	4.97
1987	21,067,000	4.39
1986*	18,618,000	—

* Net investment of company before restructuring.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 81,758	$ 76,960
Cost of sales	56,777	52,868
Expenses	19,872	18,310
Interest expense	978	1,456 *
Interest income	(70)	(63)
Income before taxes	$ 4,201	$ 4,389
Income taxes	1,596	1,620
Net Income	$ 2,605	$ 2,769

* Included in Costs and Expenses. Depreciation and Amortization: $2,853,000 in 1990 and $2,827,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 1,653	$ 1,371
Accts. receiv., net	13,562	11,562
*Inventories	19,375	19,805
Assets held for sale	—	720
Other curr. assets	1,736	1,563
Current Assets	$ 36,326	$ 35,021
Intangibles	5,807	3,675
#Fixed assets	8,968	7,746
Total Assets	$ 51,101	$ 46,442

Mark Controls Corporation

Liabilities
(000's)

Accts payable	$ 5,041	$ 3,791
Accruals	6,629	4,468
Inc taxes pay	324	—
Curr Liabilities	$ 11,994	$ 8,259
Long-term debt	9,000	11,000
Other liabilities	862	909
+Common stock	49	49
Add paid-in capital	19,943	19,925
Retained earnings	9,609	7,004
Treasury stock	(88)	(173)
For curr trans adjust	(268)	(531)
Total Liabilities & Shareholders' Equity	$ 51,101	$ 46,442

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.01 par value

Statistical Summary

% Income bef Taxes to Sales	5.14	5.70
% Net Income to Sales	3.19	3.60
% Net Income to Eq	8.91	10.54
Sales to Inventories	4.22	3.89
Debt to Equity	0.31	0.42
Working Capital	$ 24,332,000	$ 26,762,000
Current Ratio	3.03	4.24
Shareholders' Equity	$ 29,245,000	$ 26,274,000

Mark IV Industries, Inc.

501 John James Audubon Pkwy., P.O. Box 810
Amherst, New York 14226-0810
(716) 689-4972
FAX (716) 689-6098

Officers: Sal H. Alfiero, chairman; Clement R. Arrison, president; William P. Montague, exec. v.p. & chief financial officer; Gerald S. Lippes, secretary; Frederic L. Cook, sr. v.p.-administration; John J. Byrne, v.p.-finance; Richard L. Grenolds, v.p. & chief accounting officer; Ronald A. Riggs, v.p.; Douglas J. Fiegel, v.p.-financial control & reporting; Patricia A. Richert, v.p.

Directors: Sal H. Alfiero, chairman; Clement R. Arrison, Joseph G. Donohoo, Gerald S. Lippes, Herbert Roth, Jr.

Areas of Work: The Company's operations involved three industry segments: Technical Products and Systems, such as professional audio and information products, instrumentation products, and aerospace and defense products; Engineered Products and Systems, such as industrial belts and hoses, safety products, control systems, and industrial and other products; and Transportation Products and Systems, such as automotive drive systems, belts and hoses, and automotive heat exchange product and systems.

Technical products include a wide variety of microprocessor and computer-based instruments and electronic components, equipment, and systems used for measuring, monitoring, information display and communication. Professional audio systems include sound equipment and components such as loudspeakers, speaker systems, and microphones for commercial and professional use. Aerospace and defense products include electronics and fluids control systems which are specially designed and engineered to operate with a high degree of reliability in outer space and other harsh environments.

Divisions and Subsidiaries:

Altec Lansing Corporation
10500 West Reno Avenue
Oklahoma City, Oklahoma 73128
(405) 324-5311
Traffic signals and controls

Anchor Swan, Inc.
8929 Columbus Pike
Worthington, Ohio 43085
(614) 548-6511

Clarke Container Co.
45 Norwood Avenue
Jamestown, New York 14702
(716) 487-1959
Child-resistant prescription enclosures

Dayco Europe
Solvesborg, Sweden

Dayco Products
1 Prestige Place
Miamisburg, Ohio 45342
(513) 226-7000
Manufactures OEM accessory drives, cam drives and fluid handling systems, aftermarket belts, hoses and cooling system accessories, transmission coolers, fan clutches and diecast aluminum parts

DDA
Unit 1, Inwood Business Park
Whitton Road
Hounslow,Middlesex TW3 2EB England

Dynacord Electronic & Geratebau GmbH & Co. KG
Hirschberger Ring 45
D-8440 Straubing, West Germany

Eagle Signal Controls
8004 Cameron Road
Austin, Texas 78753
(512) 837-8300
Specialized control systems for industrial markets

Electro-Voice
600 Cecil Street
Buchanan, Michigan 49107
(616) 695-6831
Fixed-installation professional sound systems, broadcast dynamic microphones and high performance loudspeakers

FCD
100 Skiff Street
Hamden, Connecticut 06514
(203) 281-8000
Environmental control systems

Femco
2000 Bethel Drive
High Point, North Carolina 27261
(919) 887-2611
Ruggedized communications, control and data acquisition products

F-P Electronics
6030 Ambler Drive
Mississauga, Ontario, Canada

Gauss & Electro Sound
9130 Glenoaks Boulevard
Sun Valley, California 91352
(818) 768-4323
Manufactures high-speed audio tape duplicating equipment

Glar-Ban
199 Wales Avenue
Tonawanda, New York 14150
(716) 694-5076
Non-infrared instrument lighting

Graphic Instruments
Route 2 and Middle Road
East Greenwich, Rhode Island 02818
(401) 884-6800
Low frequency recorders

Gulton Data Systems
6600 Gulton Ct. NE
Albuquerque, New Mexico 87109
(505) 345-9031
Satellite telemetry and command equipment

Interstate Highway Sign
6005 Scott Hamilton Drive
Little Rock, Arkansas 72209
(501) 565-8484
Large-scale reflective highway signs

Kirkhof/Goodrich
3903 Roger B. Chaffee Blvd.
Grand Rapids, Michigan 49508
(616) 241-1621

Klark-Teknik PLC
Klark Industrial Park
Walter Nash Road
Kidderminster, Worcester, England

LFE Industrial Systems Corporation
55 Green Street
Clinton, Massachusetts 01510
(508) 835-1000

LFE Instruments
11655 Chillicothe Road
Chesterland, Ohio 44026
(216) 729-1681

LLE
AM Oberwald 8
7550 Rastatt 16
Germany

Luminator
1200 East Plano Parkway
Plano, Texas 75074
(214) 424-6511
Mobile programmable information displays

Lustreprint Incorporated
622 Northumberland Avenue
Buffalo, New York 14215
(716) 835-2711
Flexible plastic packaging

Mark IV Audio AG
Keltenstrasse 5
CH-2563 Ipsach
Switzerland

Mark IV Audio, Inc.
602 Cecil Street
Buchanan, Michigan 49107
(616) 695-4708

Mark IV Instruments Limited
The Hyde
Brighton BN2 4JU England

Mark IV Transportation Products Corp.
1200 East Plano Parkway
Plano, Texas 75074
(214) 424-6511

Mokon
2150 Elmwood Avenue
Buffalo, New York 14207
(716) 876-9855
Oil and water temperature controls

NRD
2937 Alt Boulevard
Grand Island, New York 14072
(716) 773-7634
Ionication elements and self-illuminating light sources

Protective Closures Co., Inc.
2150 Elmwood Avenue
Buffalo, New York 14207
(716) 876-9855
Plastic closures

Servonic
1644 Whittier Avenue
Costa Mesa, California 92627
(714) 642-2400
Military and aerospace pressure transducers

University Sound, Inc.
13278 Ralston Avenue
Slymer, California 91342
(818) 362-9516
Manufactures commercial microphones, loudspeakers, audio electronics and telephone interconnect equipment

Vapor
6420 West Howard Street
Niles, Illinois 60648
(708) 967-8300

Vapor Canada, Inc.
10655 Henri-Bourassa West
Ville St. Laurent
Québec, Canada

Vega
9900 Baldwin Place
El Monte, California 91731
(818) 442-0782

Transfer Agent(s):

American Stock Transfer Company
40 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: IV

Number of Employees:

1991	11,400	1988	N.A.
1990	9,100	1987	4,000
1989	12,800		

Sales & Earnings

	Net Sales +	Net Income #
1991	$ 937,290,000	$ 25,616,000
1990	832,959,000	71,649,000
1989	579,203,000	22,801,000
1988	363,836,000	17,041,000
1987	291,529,000	10,210,000

	No. of Com. Shares ‡	Earn. per Share #‡
1991	14,545,000	$ 1.76
1990	16,214,000	4.42
1989	17,883,000	1.27
1988	16,527,000	1.03
1987	14,075,000	0.73

+ Of continuing operations only.
# Including extraordinary gains of $702,000 ($0.05 per share) in 1990 and $10,001,000 ($0.62 per share) in 1990.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Revenues by Line of Business
(000's)

	1991	1990
Technical	$ 272,443	$ 219,836
Engineered	286,572	263,975
Transportation	378,275	329,148
Total	$ 937,290	$ 832,959

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ 0.10	5% & 5%	—
1990	—	—	3-for-2
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2 & 3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1991	$ 177,788,000	$ 12.22
1990	165,055,000	10.18
1989	114,766,000	6.42
1988	92,546,000	5.60
1987	81,169,000	2.87

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Income Account
(000's)

Year ended Feb. 28	1991	1990
Net sales	$ 937,290	$ 832,959
Cost of sales	590,874	524,391
Expenses	216,819	192,986
Depreciation & amortization	24,383	19,873
Interest expense	67,595	58,700
Gain on sale of invest.	(1,000)	(5,846)
Income before taxes	$ 38,619	$ 42,855
Income taxes	13,705	15,729
Inc. cont. oper.	$ 24,914	$ 27,126
Inc. discont. oper.	—	34,522
Net Income	$ 24,914	$ 61,648
Extraord. gain	702	10,001
Net Income & extraord. gain	$ 25,616	$ 71,649

Assets
(000's)

As of Feb. 28	1991	1990
Cash	$ 5,925	$ 5,331
Accts. receiv., net	218,999	162,651
*Inventories	259,515	207,516
Other curr. assets	33,803	21,540
Current Assets	$ 518,242	$ 399,038
Pension rel. & other assets	133,377	149,211
#Fixed assets	315,281	229,394
Cost in exc. of assets acq.	110,276	71,040
Total Assets	$ 1,077,176	$ 848,683

Liabilities
(000's)

	1991	1990
Notes pay. & long-term debt, curr.	$ 11,280	$ 4,345
Accts. payable	53,880	37,298
Accrued compensation	30,357	24,815
Accrued interest	17,691	15,924
Other accruals	40,509	29,756
Income taxes	7,133	7,454
Curr. Liabilities	$ 160,840	$ 119,592
Long-term debt	717,627	544,176
Other liabilities	20,921	19,860
+Common stock	182	165
Add. paid-in capital	66,469	48,941
Retained earnings	142,415	135,576
For. curr. trans. adjust.	3,540	1,244
Treasury stock	(34,818)	(20,871)
Total Liabilities & Shareholders' Equity	$ 1,077,176	$ 848,683

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1991	1990
% Income bef. Taxes to Sales	4.12	—
% Net Income to Sales	2.66	—
% Net Income to Equity	14.01	37.35
Sales to Inventories	3.61	4.01
Debt to Equity	4.10	3.32
Working Capital	$ 357,402,000	$ 279,446,000
Current Ratio	3.22	3.34
Shareholders' Equity	$ 177,788,000	$ 165,055,000

Marshall Industries

9320 Telstar Avenue
El Monte, California 91731-2895
(818) 307-6000
FAX: (818) 307-6348

Officers: Gordon S. Marshall, chairman of the board, chief executive officer & president; Richard D. Bentley, exec. v.p. & chief oper. officer; Robert Rodin, sr. v.p.-mktng.; Henry W. Chin, v.p., controller & asst. secretary; Paul M. Lemerise, v.p.-MIS; Carl R. Sittman, v.p.-facilities; Thomas B. Whitten, v.p.-finance, chief fin. officer & secretary.

Directors: Gordon S. Marshall, chairman; Mason Phelps, Raymond G. Rinehart, William G. Bone, Lathrop Hoffman, Anthony W. Roberts.

Areas of Work: Engaged in the manufacture of semiconductors, connectors, passive components, computer subsystems and peripherals, production supplies, tool kits, instrumentation and workstations. Customers are mainly original equipment manufacturers in the major industries of computer mainframes and peripherals, capital and office equipment, communications, control and medical equipment and instrumentation, and military and aerospace.

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 2097, Terminal Annex
Los Angeles, California 90054

Stock Exchange(s): New York

Ticker Symbol: MI

Number of Employees:

1990	1,650	1987	1,100
1989	1,550	1986	1,083
1988	1,422		

Sales & Earnings

	Net Sales	Net Income
1990	$ 541,690,000	$ 20,092,000
1989	513,467,000	21,403,000
1988	420,412,000	17,649,000
1987	286,623,000	5,145,000
1986	244,777,000	2,857,000

	No. of Com. Shares #	Earn. per Share #
1990	8,941,000	$ 2.25
1989	9,273,000	2.31
1988	8,604,000	2.05
1987	7,466,000	0.69
1986	7,391,000	0.39

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 140,541,000	$ 15.72
1989	134,608,000	14.52
1988	111,979,000	13.01
1987	60,925,000	8.16
1986	54,944,000	7.43

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Marshall Industries

Income Account*

Year ended May 31	1990	1989
Net sales	$ 541,690,000	$ 513,467,000
Cost of sales	416,596,000	406,121,000
Expenses	90,440,000	88,068,000
Interest expense	1,376,000	3,407,000
Income before taxes	$ 33,278,000	$ 35,971,000
Income taxes	13,186,000	14,568,000
Net Income	$ 20,092,000	$ 21,403,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,906,000 in 1990 and $4,430,000 in 1989.

Assets

As of May 31	1990	1989
Cash	$ 2,009,000	$ 1,768,000
Recvs., net	78,311,000	67,506,000
*Inventories	110,597,000	107,181,000
Prepaid expenses	414,000	516,000
Deferred inc. tax benefits	2,707,000	2,878,000
Current Assets	$ 194,040,000	$ 179,849,000
≠Fixed assets	54,814,000	43,475,000
Other assets	1,066,000	652,000
Total Assets	$ 249,920,000	$ 223,976,000

Liabilities

	1990	1989
Long-term debt, curr	$ 4,968,000	$ 2,928,000
Accts. payable	41,765,000	36,693,000
Accrued payroll	2,900,000	2,664,000
Other accruals	3,670,000	2,982,000
Income taxes	4,556,000	3,630,000
Curr. Liabilities	$ 57,859,000	$ 48,897,000
Long-term debt	51,520,000	40,471,000
+Common stock	8,624,000	9,409,000
Add. paid-in capital	56,947,000	61,855,000
Retained earnings	74,970,000	63,344,000
Total Liabilities & Shareholders' Equity	$ 249,920,000	$ 223,976,000

* At lower of cost (average) or market.
≠ Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	6.12	6.74
% Net Income to Sales	3.70	4.01
% Net Income to Equity	14.30	15.90
Sales to Inventories	4.92	4.99
Debt to Equity	0.40	0.32
Working Capital	$ 136,181,000	$ 110,735,000
Current Ratio	3.35	3.52
Shareholders' Equity	$ 140,541,000	$ 134,608,000

Martin Marietta Corporation

6801 Rockledge Drive
Bethesda, Maryland 20817
(301) 897-6000
FAX (301) 897-6083

Officers: Norman R. Augustine, chairman & chief exec. officer; A. Thomas Young, president & chief operating officer; Allan M. Norton, sr. v.p.; Marcus C. Bennett, sr. v.p. & chief financial officer; Frank H. Menaker, Jr., v.p. & general counsel; Peter B. Teets, sr. v.p.; Robert J. Polutchko, sr. v.p.; David C. Dressler, sr. v.p.; Dan A. Petersen, sr. v.p.; Bobby F. Leonard, v.p.; Richard M. Davis, v.p.; Richard G. Adamson, v.p.; Stephen P. Zelnak, Jr., v.p.; Robert G. Morra, v.p.; Robert W. Powell, Jr., v.p. & treasurer; Kathleen T. Sheehan, secretary.

Directors: Norman R. Augustine*, chairman; John J. Byrne; A. James Clark*; James L. Everett, III; Melvin R. Laird*; Thomas G. Pownall*; Laurence J. Adams*; Edward L. Hennessy, Jr.; John W. Vessey, Jr.*; Edwin I. Colodny; Caleb B. Hurtt*; Lamar Alexander; A. Thomas Young.

* Member of the Executive Committee.

Areas of Work: Designs, manufactures, integrates and operates systems and products in leading-edge technologies, including aerospace, electronics information management, materials and energy.

The Electronics & Missiles Group is engaged in the design, development, engineering, and production of missiles and missile launching systems; electronic systems for precision guidance and air defense programs; electro-optical target acquisition, designation, and navigation systems; undersea systems; ordnance; and aircraft component manufacturing and assembly.

The Information Systems Group is engaged in the design, integration, and servicing of a broad range of information management and engineering systems, combining high-speed communications and information processing for such purposes as command, control, and communications; air traffic control; simulation; telecommmunications; and integrated communications networks.

The Materials Group consists of aggregates operations principally engaged in producing and selling crushed stone and gravel—primarily for highways and general construction and railroad ballast; and magnesia specialties operations, which produce and sell refractory materials and other magnesia products used in steel production, chemical processing, and various industrial applications.

Martin Marietta Astronautics Group
Denver, Colorado
Martin Marietta Space Launch Systems
Martin Marietta Strategic Systems
Martin Marietta Defense Space & Communications
Martin Marietta Civil Space & Communications

Martin Marietta Manned Space Systems
New Orleans, Louisiana

Martin Marietta Materials Group
Bethesda, Maryland
Martin Marietta Aggregates
Martin Marietta Magnesia Specialties, Inc.
International Light Metals Corporation

Martin Marietta Air Traffic Systems
Washington, Washington D.C.

Martin Marietta Advanced Development & Technology Operations
San Diego, California
Martin Marietta Laboratories

Martin Marietta Energy Systems, Inc.
Oak Ridge, Tennessee
Oak Ridge National Laboratory
Components Manufacturing Plant
Applied Technology Facility
Paducah Gaseous Diffusion Plant
Portsmouth Gaseous Diffusion Plant

Martin Marietta Electronics, Information & Missiles Group
Martin Marietta Electronic Systems
Martin Marietta Information Systems
Martin Marietta Missile Systems
Martin Marietta Aero & Naval Systems
Martin Marietta Ordnance Systems, Inc.

Transfer Agent(s):

Maryland National Bank
2 North Charles Street
Baltimore, Maryland 21201

First Chicago Trust Co. of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Pacific, Midwest, Philadelphia, London

Ticker Symbol: ML

Number of Employees:

1990	62,000	1987	70,000
1989	65,500	1986	N.A.
1988	67,500		

N.A. - Not Available

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1990	$ 6,125,939	$ 327,591
1989	5,796,182	306,943
1988	5,727,482*	198,875
1987	5,172,954	230,650
1986	4,762,956	202,344

	No. of Com. Shares ≠	Earn. per Share †≠
1990	50,265,240	$ 6.52
1989	52,770,895	5.82
1988	53,151,967	3.75
1987	54,318,363	4.25
1986	55,147,793	3.67

† Including extraordinary gain of $39,100,000 ($0.73 per share) in 1989.
≠ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Astronautics	$ 3,229,500	$ 2,928,600
Electronics & missiles	2,595,600	2,576,400
Materials	397,800	384,100
Other	50,300	19,000
Intersegment	(147,300)	(111,900)
Total	$ 6,125,900	$ 5,796,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.3675	—	—
1989	1.2250	—	—
1988	1.1000	—	—
1987	1.0500	—	—
1986	1.0000	—	—

Common Stock Equity

	Total Equity	Equity Per Share ≠
1990	$ 1,540,963,000	$ 30.66
1989	1,354,960,000	25.68
1988	1,200,612,000	22.59
1987	907,732,000	16.71
1986	843,176,000	15.29

≠ Based on the average number of shares outstanding.

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 6,125,939	$ 5,796,182
Cost of sales & expenses	5,683,462	5,331,544
Oper. profit	$ 442,477	$ 464,638
Other income	(34,504)	(7,789)
Interest expense	41,790	43,084
Income bef. taxes	$ 435,191	$ 429,343
Income taxes	107,600	122,400
Net Income	$ 327,591	$ 306,943

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $215,836,000 in 1990 and $207,036,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv	$ 87,474	$ 67,568
Accts & notes recein, net	807,545	779,740
*Inventories	458,284	539,740
Other curr. assets	47,314	53,557
Current Assets	$ 1,400,617	$ 1,440,605
Investments	163,602	167,970
#Fixed assets	1,340,688	1,300,919
Other assets	705,622	595,865
Total Assets	$ 3,610,529	$ 3,505,379

Liabilities
(000's)

Short-term borrowing	$ 25,000	$ —
Long-term debt, curr	5,191	4,179
Accts payable & accruals	420,837	359,086
Accrued payroll	211,314	217,661
Income taxes	331,305	126,281
Other curr. liab	—	219,120
Curr. Liabilities	$ 993,647	$ 926,327
Long-term debt	463,288	477,504
Other liabilities	355,071	232,033
Deferred inc. taxes	257,558	514,555
•Common stock	48,866	50,814
Add. paid-in capital	187,944	257,898
Retained earnings	1,304,153	1,046,248
Total Liabilities & Shareholders' Equity	$ 3,610,529	$ 3,505,379

* At lower of cost (principally FIFO) or market
# Less accumulated depreciation, depletion and amortization
• $1 par value

Statistical Summary

% Income bef. Taxes to Sales	7.10	7.41
% Net Income to Sales	5.35	5.30
% Net Income to Equity	21.26	22.65
Sales to Inventories	13.37	10.74
Debt to Equity	0.32	0.36
Working Capital	$ 406,970,000	$ 514,278,000
Current Ratio	1.41	1.56
Shareholders' Equity	$ 1,540,963,000	$ 1,354,960,000

MATEC Corporation

75 South Street
Hopkinton, Massachusetts 01748
(508) 435-9039
FAX: (508) 435-4496

Officers: Ted Vapley, Jr., chairman & chief exec. officer; Neil S. Bernstein, president & chief operating officer; Michael J. Kroll, v.p. & treasurer; L. Stephen Bowers, group v.p.; John J. McArdle, III, secretary

Directors: Ted Valpey, Jr., chairman; Neil S. Bernstein; Eli Flesher; Robert B. Gill; Lawrence Holsborg; John D. Hunt; Joseph Tiberio; Robert W. Valpey

Areas of Work: Operates in four industry segments: Steel Cable, Electronics, Instruments and Diffusion Coating.

Subsidiaries:

Alloy Surfaces Company, Inc.
100 Locke Road
Wilmington, Delaware 19809
(302) 762-8900

Application of corrosion-resistant coatings to gas turbine engines; production of proprietary specialty chemicals sold to gas turbine engine manufacturers; production of pyrophoric materials for military countermeasure application.

Bergen Cable Technologies, Inc.
Gregg Street
Lodi, New Jersey 07644
(201) 487-3521

Manufactures mechanical cable and cable assemblies.

Matec Applied Sciences, Inc.
75 South Street
Hopkinton, Massachusetts 01748
(508) 435-9039

Designs and manufactures which characterize colloids (small particles in suspension).

Matec Instruments, Inc.
75 South Street
Hopkinton, Massachusetts 01748
(508) 435-9039

Designs and manufactures high-powered pulsed radio frequency (RF) instruments.

Valpey-Fisher Corporation
75 South Street
Hopkinton, Massachusetts 01748
(508) 435-6831

Manufactures quartz crystals and crystal oscillators.

Transfer Agent(s):

Bank of Boston
Shareholder Services Division
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): American

Ticker Symbol: MXC

Sales & Earnings

	Net Sales •	Net Income
1990	$ 24,307,348	$ (1,420,733)
1989	26,171,347	1,651,256
1988	23,995,693	1,364,000
1987	17,625,000	316,000
1986	19,894,000	479,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	2,945,000	$ —
1989	3,061,000	0.54
1988	3,142,000	0.43
1987	3,333,000	0.09
1986	3,330,000	0.14

( ) Loss
• Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1990	1989
Steel cable	$ 9,100,000	$ 9,184,000
Electronics	6,916,000	7,177,000
Instruments	4,985,000	4,288,000
Diffusion coating	3,306,000	5,522,000
Total	$ 24,307,000	$ 26,171,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.20	—	—
1989	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 12,284,647	$ 4.17
1989	14,865,245	4.86
1988	14,352,509	4.57
1987	13,239,660	3.97
1986	14,128,700	4.24

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended Dec. 31	1990	1989
Net sales	$ 24,307,348	$ 26,171,347
Cost of sales	16,066,581	18,063,207
Expenses	7,678,837	7,459,588
Unreal. losses on eq. secur	1,199,514	—
Losses (gains) on asset sales	95,483	(1,715,711)
Eq. in earn. of Sawyer Res	—	(597,908)
Other expense (income)	(138,242)	85,822
Inc. (loss) bef. taxes	$ (594,825)	$ 2,876,349
Income taxes (credit)	(191,000)	1,176,000
Inc. (loss)-cont. oper	$ (403,825)	$ 1,700,349
Loss-discont. oper	(1,016,908)	(49,093)
Net Income (Loss)	$ (1,420,733)	$ 1,651,256

* Included in Costs and Expenses, Depreciation and Amortization: $1,024,167 in 1990 and $953,964 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv	$ 382,836	$ 1,220,049
Accts. receiv., net	4,149,049	6,072,592
*Inventories	4,907,521	4,346,702
Deferred inc. taxes	908,044	375,939
Current Assets	$ 10,347,450	$ 12,015,282
#Fixed assets	6,392,366	6,333,142
Net assets-discont. bus	1,448,803	1,921,504
Market. eq. secur	2,624,100	3,355,013
Other assets	175,266	375,965
Total Assets	$ 20,987,985	$ 24,000,906

Liabilities

Notes payable	$ 3,275,000	$ 2,285,000
Long-term debt, curr	243,933	228,933
Accts. payable	1,096,743	1,114,960
Accruals	1,234,490	1,530,989
Income taxes	430,643	869,762
Curr. Liabilities	$ 6,280,809	$ 6,029,644
Long-term debt	1,605,366	1,849,299
Deferred inc. taxes	817,163	1,256,718
•Common stock	188,762	188,712
Add. paid-in capital	6,301,608	6,297,659
Retained earnings	10,652,410	12,667,069
Treasury stock	(4,593,981)	(4,071,112)
Unreal. loss on eq. secur	(264,152)	(217,083)
Total Liabilities & Shareholders' Equity	$ 20,987,985	$ 24,000,906

* At lower of cost (FIFO) or market. Steel cable product inventory costs at LIFO.
# Less accumulated depreciation
• $0.05 par value

Statistical Summary

% Net Income to Equity	—	11.11
Sales to Inventories	4.95	6.02
Debt to Equity	0.42	0.29
Working Capital	$ 4,066,641	$ 5,985,638
Current Ratio	1.65	1.99
Shareholders' Equity	$ 12,284,647	$ 14,865,245

Matsushita Electric Industrial Co., Ltd.

Kadoma, Osaka, Japan
(06) 908-1121

Officers: Masaharu Matsushita, chairman of the board; Akio Tanii, president; Shoji Sakuma, executive v.p.; Masahiko Hirata, executive v.p.; Tsuzo Murase, exec. v.p.; Hiroyuki Mizuno, exec. v.p.; Keiya Toyonaga, sr. managing director; Yoichi Morishita, sr. managing director; Kiyoshi Seki, managing director; Shiro Donishi, managing director; Kazuhiko Toyama, managing director; Shigeyuki Nishiuma, managing director; Hideo Takahashi, managing director; Keiichi Takahata, managing director; Masayuki Matsushita, managing director; Kazuo Ichikawa, managing director; Tadakazu Yamamoto, managing director; Koju Suzuki, managing director; Tsutomu Fukuhara, managing director; Sohei Nakayama, director; Kyonosuke Ibe, director; Shiro Endo, director; Yuji Hijikata, director; Yutaka Hisakado, director; Masaya Nakajima, director; Hiroshi Kitayama, director; Akiya Imura, director; Mikio Higashi, director; Michitaka Ishizawa, director; Hisao Tahara, director; Shiro Horiuchi, director; Kazuhiko Sugiyama, director; Toshihiko Yamashita, director & executive advisor

Areas of Work: Manufactures Video Equipment, including video tape recorders and related equipment, color TVs, video projection systems, and video disc players; Audio Equipment, including radios, radio/cassette recorders, tape recorders, stereo hi-fi equipment, compact disc players, and electronic organs; Home Appliances, including refrigerators, air conditioners, home laundry equipment, vacuum cleaners, microwave ovens and other cooking equipment, electric fans and heaters; Communication and Industrial Equipment, including office automation equipment, communications equipment, air conditioning equipment; Energy and Kitchen-Related Products, including dry batteries, lead-acid storage batteries, lithium, solar and other cells, gas appliances, kitchen sinks and cabinets, and solar energy equipment; Electronic Components, including LSIs, ICs, transistors, diodes, cathode ray tubes, image pickup tubes, electric lamps, tuners, capacitors, resistors, speakers, and printed circuits. Other manufactured products include records, music tapes, photographic equipment, bicycles, electric pencil sharpeners, and water purifiers.

Principal Consolidated Subsidiaries:

Matsushita Electric (U.K.) Ltd
Matsushita Electronics Corporation
Victor Company of Japan, Ltd
Matsushita Electronic Components Co., Ltd
Matsushita Battery Industrial Co., Ltd
Matsushita Seiko Co., Ltd
Matsushita Kotobuki Electronics Industries, Ltd
Matsushita Communication Industrial Co., Ltd
Matsushita Refrigeration Company
Kyushu Matsushita Electric Co., Ltd
Matsushita Housing Products Co., Ltd
Matsushita Industrial Equipment Co., Ltd
Matsushita Graphic Communication Systems, Inc
Matsushita Electric Corporation of America
Matsushita Electric (Taiwan) Co., Ltd
Matsushita Industrial Corporation Sdn. Bhd
Matsushita Refrigeration Industries (S) Pte. Ltd
Matsushita Electronics (S) Pte. Ltd
Matsushita Electric (U.K.) Ltd
Panasonic Espana S.A

Subsidiaries (U.S.A.):

MANUFACTURING

Matsushita Electric Corporation of America
Panasonic Company
Panasonic Industrial Company
Quasar Company
Panasonic Broadcast Systems Company
Matsushita Services Company
Panasonic Communications & Systems Company
Panasonic Factory Automation Company
Matsushita Television Company
Matsushita Cooking Appliance Company
Matsushita Electronic Components Corporation of America
Matsushita Communication-Corporation of America
Matsushita-Ultra Tech Battery Corporation
American Matsushita Electronics Corporation
America Kotobuki Electronics Industries, Inc
Panasonic Technologies, Inc
Matsushita Compressor Corporation of America
Matsushita Refrigeration Company of America
Kyushu Matsushita Electric Corporation of America
Solbourne Computer, Inc
AMAC Corporation
Panasonic Advanced TV-Video Laboratories, Inc
Panasonic Finance, Inc
Panasonic Capital Corporation

Transfer Agent(s):

Chuo Trust and Banking Co., Ltd (common stock)
Chuo-ku
Osaka, Japan

Morgan Guaranty Trust Company of New York
(American Depository Receipts)
New York, New York

Stock Exchange(s): Tokyo, New York*, Pacific*, Amsterdam, Frankfurt, Dusseldorf, Paris

Ticker Symbol: MC (New York and Pacific)* *Trades as an American Depositary Receipt

Number of Employees:

1990	198,299	1987	180,570
1989	193,088	1986	181,453
1988	185,416		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1990	¥ 6,002,786	¥ 235,561
1989	5,504,250	213,462
1988	5,067,188	164,623
1987*	1,572,241	49,423
1986	4,810,774	167,588

	No. of Com. Shares	Earn. per Share †
1990	2,080,234,037	¥ 108.34
1989	1,955,629,195	99.94
1988	1,861,792,853	80.34
1987*	N.A	25.79
1986	N.A	87.50

¥ - Yen
N.A. - Not Available
* 4 months
† Based on the weighted average number of common shares and common share equivalents outstanding

Revenues By Line of Business
(millions)

	1990	1989
Video equipment	¥ 1,598,166	¥ 1,568,397
Audio equipment	561,069	515,110
Home appliances	802,394	776,847
Communication & industrial equip	1,374,910	1,104,424
Electronic components	781,206	726,450
Energy & kitchen-related prods	312,091	282,960
Other	572,950	530,062
Total	¥ 6,002,786	¥ 5,504,250

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 10.00	—	—
1989	11.90	—	—
1988	9.52	—	—
1987	3.81	—	—
1986	9.52	—	—

Common Stock Equity

	Total Equity (millions)	Equity Per Share
1990	¥ 3,200,903	¥ 1,538.72
1989	2,866,516	1,465.78
1988	2,489,937	1,337.39
1987	2,212,690	—
1986	2,171,359	—

Income Account *
(millions)

Year ended Mar. 31	1990	1989
Net sales	$ 6,002,786	¥ 5,504,250
Cost of sales	4,009,590	3,670,885
Expenses	1,540,475	1,416,176
Interest expense	109,202	88,932
Interest income	(213,242)	(177,857)
Other income	(14,969)	(23,333)
Income before taxes	¥ 571,730	¥ 529,447
Income taxes	300,947	286,915
Eq. in earn. of assoc. cos	(11,272)	(11,650)
Minority interests	46,494	40,720
Net Income	¥ 235,561	¥ 213,462

* Included in Costs and Expenses, Depreciation: ¥ 237,749,000,000 in 1990 and ¥ 217,789,000,000 in 1989

Assets
(millions)

As of Mar. 31	1990	1989
Cash & cash equiv	¥ 2,010,848	¥ 1,440,144
Marketable securities	335,406	211,968
Accts. receiv., net	1,112,341	787,178
*Inventories	846,005	796,509
Other curr. assets	308,364	295,356
Current Assets	¥ 4,612,964	¥ 3,531,155
Receivables	344,261	280,782
Investments & advances	1,647,575	1,516,985
≠Fixed assets	957,642	824,212
Other assets	288,769	248,754
Total Assets	¥ 7,851,211	¥ 6,401,888

Liabilities
(millions)

	1990	1989
Short-term debt & long-term debt, curr	¥ 1,045,848	¥ 829,671
Accts. payable	512,197	391,525
Accrued income taxes	168,281	167,388
Accrued payroll	144,087	124,161
Other accruals	372,599	301,136
Deposits & advances from cust	117,344	108,430
Employees' deposits	125,504	120,906
Other current liabilities	116,638	100,810
Curr. Liabilities	¥ 2,602,498	¥ 2,144,027
Long-term debt	1,197,082	621,903
Retirement & severance benefits	269,070	247,081
Minority interest	581,658	522,361
+ Common stock	184,940	164,251
Add. paid-in capital	541,786	486,554
Legal reserve	52,181	47,917
Retained earnings	2,487,093	2,283,310
Cum. trans. adj	(65,097)	(115,516)
Total Liabilities & Shareholders' Equity	¥ 7,851,211	¥ 6,401,888

* At lower of cost (average) or market. Raw materials at cost (FIFO), not in excess of current replacement cost
≠ Less accumulated depreciation
+ ¥ 50 par value

Statistical Summary

% Income bef. Taxes to Sales	9.52	9.62
% Net Income to Sales	3.92	3.88
% Net Income to Equity	7.36	7.45
Sales to Inventories	7.10	6.91
Debt to Equity	0.70	0.51
Working Capital (000's)	¥2,010,466,000	¥1,387,128,000
Current Ratio	1.77	1.65
Shareholders' Equity (000's)	¥3,200,903,000	¥2,866,516,000

McDonnell Douglas Corporation

P.O. Box 516
St. Louis, Missouri 63166-0516
(314) 232-0232
FAX: (314) 234-3826

Officers: John F. McDonnell, chairman of the board & chief executive officer; Gerald A. Johnston, president; James H. MacDonald, sr. v.p.; John T. Sant, sr. v.p., general counsel & secretary; Robert H. Hood, Jr., president-Douglas Aircraft Company; Herbert J. Lanese, sr. v.p.-finance; Thomas M. Culligan, v.p.-program development & marketing; Kenneth A. Francis, president-McDonnell Douglas Space Systems Company; Thomas M. Gunn, president-McDonnell Douglas Helicopter Company; E. Randolph Jayne, II, president-McDonnell Douglas Missile Systems Company; C. James Dorrenbacher, sr. v.p.-group executive; Edward C. Aldridge, Jr., president-McDonnell Douglas Electronic Systems Company; John P. Capellupo, deputy president-Douglas Aircraft Company.

Directors: John R. McDonnell*, chairman; William H. Danforth*, Kenneth M. Duberstein, James S. McDonnell, III, B.A. Bridgewater*, Jr., Julian B. Goodman, William E. Cornelius*, William S. Kanaga, John H. Biggs, Gen. Roscoe Robinson, Jr., Gerald A. Johnston, George A. Schaefer, Sanford N. McDonnell*, chairman emeritus.

* Member of the Executive Committee

Areas of Work: The Company's operations include: The design, development and production of attack and fighter aircraft, including helicopters; Transport aircraft, which includes both commercial and military transport aircraft, training, spare parts, and related services; Space systems and missiles, which includes advanced studies and development and production of tactical and strategic missiles, satellite-launching vehicles, space shuttle components and payloads, space station, laser communications, and ballistic missile defense systems.

Divisions and Subsidiaries:

McDonnell Douglas Finance Corporation
3855 Lakewood
Long Beach, California 90846
(213) 593-1722

MDC Realty Company
3855 Lakewood Boulevard
Long Beach, California 90846
(213) 593-5941

McDonnell Douglas Canada Ltd.
Malton, Ontario L5P 1B7, Canada
(416) 677-4341

McDonnell Douglas International Sales Corp.
Box 516
St. Louis, Missouri 63166
(314) 232-0232

McDonnell Douglas Astronautics Company

McDonnell Douglas-Tulsa
200 North Memorial Drive
Tulsa, Oklahoma 74115
(918) 836-1616

McDonnell Aircraft Company
Box 516
St. Louis, Missouri 63166
(314) 232-0232

Douglas Aircraft Company
3855 Lakewood Boulevard
Long Beach, California 90846
(213) 593-5511

McDonnell Douglas Helicopter Company
Mesa, Arizona

Transfer Agent(s):

First Chicago Trust Company of New York
30 W. Broadway
New York, New York 10007

Stock Exchange(s): New York, Pacific

Ticker Symbol: MD

Number of Employees:

1990	121,190	1987	112,400
1989	127,926	1986	105,696
1988	121,421		

Sales & Earnings

	Revenues + (000's)	Net Income (000's)
1990	$ 16,255,000	$ 306,000
1989	14,589,000	219,000
1988	14,438,000	350,000
1987	13,083,000	313,000
1986	12,505,000	277,500
	No. of Com. Shares	**Earn. per Share ‡**
1990	38,300,000	$ 7.99
1989	38,300,000	5.72
1988	38,200,000	9.13
1987	38,700,000	7.75
1986	40,600,000	6.86

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1990	1989
Combat aircraft	$ 5,830,000	$ 6,124,000
Transport aircraft	5,812,000	4,511,000
Missiles, space & elec. syst.	3,188,000	2,761,000
Financial services	619,000	497,000
Other	797,000	688,000
Total	$ 16,246,000	$ 14,581,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 2.82	—	—
1989	2.82	—	—
1988	2.56	—	—
1987	2.32	—	—
1986	2.08	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 3,514,000	$ 91.72
1989	3,287,000	85.88
1988	3,186,000	83.42
1987	2,969,900	76.71
1986	2,844,800	70.13

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Revenues	$ 16,255,000	$ 14,589,000
Cost of revenues	13,767,000	12,180,000
Expenses		
Gen. & adm.	1,453,000	1,348,000
Res. & develop.	620,000	617,000
Pension settlement	(600,000)	—
Interest & debt exp.	613,000	564,000
Inc. (loss) bef. taxes	$ 402,000	$ (120,000)
Income taxes (credit)	127,000	(83,000)
Inc. (loss)-cont. oper.	$ 275,000	$ (37,000)
Inc.-discont. oper.	31,000	77,000
Cum. effect of acct. change	—	179,000
Net Income	$ 306,000	$ 219,000

* Included in Costs and Expenses, Depreciation and Amortization: $581,000,000 in 1990 and $542,000,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 226,000	$ 119,000
Accts. receiv., net	883,000	1,350,000
Finance receivables	3,527,000	3,273,000
Inventories & contracts	6,201,000	5,128,000
#Fixed assets	2,624,000	2,648,000
Other assets	1,504,000	879,000
Total Assets	$ 14,965,000	$ 13,397,000

Liabilities
(000's)

	1990	1989
Notes payable & long-term debt, curr.	$ 5,584,000	$ 4,935,000
Accts. payable & accruals	2,818,000	2,440,000
Income taxes	1,000,000	979,000
Adv. & bill. in exc. of costs	2,049,000	1,756,000
+Common stock	38,000	38,000
Add. paid-in capital	283,000	281,000
Retained earnings	3,168,000	2,970,000
Foreign curr. trans.	25,000	(2,000)
Total Liabilities & Shareholders' Equity	$ 14,965,000	$ 13,397,000

# Less accumulated depreciation
+ $1 par value

Statistical Summary

% Net Income to Equity	8.71	6.66
Debt to Equity	1.59	1.50
Shareholders' Equity	$ 3,514,000,000	$ 3,287,000,000

McRae Industries, Inc.

Wadeville Community, Highway 109 North
P.O. Box 726
Mount Gilead, North Carolina 27306
(919) 439-6147
FAX: (919) 439-9596

Officers: Branson J. McRae, president & treasurer; D. Gary McRae, first v.p.; Victor A. Karam, v.p.-footwear; Thaddeus R. Tedder, secretary; Harold W. Smith, v.p.-finance & accounting; James W. McRae, v.p.; Charles V. Rece, controller.

Directors: Branson J. McRae, chairman; Thaddeus R. Tedder, George M. Bruton, Brady W. Dickson, Victor A. Karam, D. Gary McRae, Harold W. Smith, Hilton J. Cochran, James W. McRae

McRae Industries, Inc.

Areas of Work: The company's principal lines of business are the manufacture of military boots; the design, development and sale of electronic systems and computer software; the sale, leasing and service of photocopiers and duplicating machines, and commercial printing.

Divisions:

Footwear Division
Financing & Leasing Division
Uwharrie Mountain Lodge

Subsidiaries:

Compsee, Inc.
McRae Graphics, Inc.
McRae Boot, Inc.
Rae-Print Packaging, Inc.

Transfer Agent(s):

First Union National Bank
Securities Transfer Dept. CMG-5
Suite 450, UCB Building
212 South Tryon Street
Charlotte, North Carolina 28281

Stock Exchange(s): American

Ticker Symbol: MRI-A and MRI-B

Number of Employees:

1990	486	1987	410
1989	467	1986	490
1988	460		

Sales & Earnings

	Net Sales	Net Income
1990	$ 38,457,539	$ 2,401,068
1989	33,096,923	2,112,197
1988	30,936,612	2,522,043
1987	27,982,957	2,253,050
1986	23,278,681	1,184,822

	No. of Com. Shares ‡	Earn. per Share ‡
1990	2,696,186	$ 0.89
1989	2,683,311	0.79
1988	2,675,654	0.94
1987	2,675,654	0.84
1986	2,675,654	0.44

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1990	1989
Footwear	$ 20,869,504	$ 20,167,154
Elec. syst. develop. & sales	8,777,356	6,134,787
Photocopier & printing	8,026,337	5,997,347
Other	784,342	797,635
Total	$ 38,457,539	$ 33,096,923

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.44	—	—
1989	0.48	—	—
1988	0.36	—	—
1987	0.46	—	—
1986	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 13,741,839	$ 5.10
1989	12,007,115	4.47
1988	10,589,140	3.96
1987	8,595,217	3.21
1986	6,971,912	2.61

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended	7/28/90	7/29/89
Net revenues	$ 38,457,539	$ 33,096,923
Cost of sales	28,842,097	24,945,933
Expenses	5,498,479	4,526,353
Other income	(349,816)	(213,612)
Interest expense	145,570	162,122
Eq. in loss of investees	115,236	71,522
Income before taxes	$ 4,205,973	$ 3,604,605
Income taxes	1,674,587	1,400,742
Minority interest	130,318	91,666
Net Income	$ 2,401,068	$ 2,112,197

* Included in Costs and Expenses, Depreciation: $526,493 in 1990 and $504,966 in 1989.

Assets

As of	7/28/90	7/29/89
Cash & cash equiv.	$ 3,666,089	$ 2,174,772
Marketable securities	205,369	205,369
Accts. receiv., net	3,711,945	3,676,441
*Inventories	4,778,829	3,879,966
Notes receiv.	4,513	7,536
Invest. in cap. leases	664,286	616,860
Prepaid expenses	192,325	207,897
Current Assets	$ 13,223,356	$ 10,768,841
#Fixed assets	3,159,404	3,430,746
Investment - rel. cos.	—	20,359
Notes receiv. - rel. cos.	1,548,890	963,979
Land	163,570	192,733
Notes receiv.	221,419	312,383
Invest. in cap. leases	1,204,668	1,262,799
Other assets	118,655	141,624
Total Assets	$ 19,639,962	$ 17,093,464

Liabilities

Notes pay. & lines of credit	$ 843,127	$ 972,408
Long-term debt, curr.	228,500	244,694
Accts. payable	1,525,029	1,400,719
Accrued emp. benefits	796,524	325,056
Accrued payroll	196,041	215,292
Deferred serv. revenue	585,947	381,535
Other accruals	312,519	239,289
Income taxes	279,632	225,136
Curr. Liabilities	$ 4,267,319	$ 4,004,129
Long-term debt	246,500	225,000
Deferred inc. taxes	587,503	690,737
Minority interest	296,801	166,483
+ Common stock		
Class A	1,600,256	1,551,600
Class B	1,099,459	1,137,580
Add. paid-in capital	620,337	602,286
Retained earnings	10,421,787	8,715,649
Total Liabilities & Shareholders' Equity	$ 19,639,962	$ 17,093,464

* At lower of cost or market. Footwear inventories at LIFO, all others at FIFO.
# Less accumulated depreciation
+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	10.94	10.89
% Net Income to Sales	6.24	6.38
% Net Income to Equity	17.47	17.59
Sales to Inventories	8.05	8.53
Debt to Equity	0.10	0.12
Working Capital	$ 8,456,037	$ 6,764,712
Current Ratio	2.77	2.39
Shareholders' Equity	$ 13,741,839	$ 12,007,115

Measurex Corporation

One Results Way
Cupertino, California 95014-5991
(408) 255-1500
FAX: (408) 996-2371

Officers: David A. Bossen, president & chief executive officer; John C. Gingerich, exec. v.p.-u.s. operations; Jerome Raffel, sr. v.p.-manufacturing operations; Robert McAdams, Jr., sr. v.p.-finance & administration; Phillip E. Peterson, v.p.-human resources; Harish S. Rao, v.p.-corp. engineering & marketing; Lance Lissner, v.p.-industry groups, engineering and marketing; Robert W. Hirt, treasurer; Carl A. Thomsen, v.p. & controller; Charles Van Orden, general counsel & secretary; Erik J. Hallman, sr. v.p.-finance & administration.

Directors: Graham Tyson, Paul Bancroft, III, William W. Goessel, Dwight C. Baum, Orion L. Hoch, David A. Bossen, John W. Larson, John W. McKittrick.

Areas of Work: Develops, manufactures and markets automatic control systems (high-accuracy proprietary sensors linked to digital computers). Product line provides materials control, through-output control, energy control and quality control for manufacturers in the continuous process industries.

Subsidiaries:

Measurex (Ireland) Ltd.
Industrial Estate
Waterford, Ireland

Measurex (Ireland) Ltd.
Mahon Industrial Estate
Cork, Ireland

Measurex Automatic Systems (MAS)
Cupertino, California

Measurex Management Systems Division
Cincinnati, Ohio
Provides transaction computing expertise in the areas of order entry, production planning, inventory management and shipping.

Transfer Agent(s):

Bank of America, N.T. & S.A.
San Francisco, California

Stock Exchange(s): New York, Pacific

Ticker Symbol: MX

Number of Employees:

1990	2,581	1987	2,540
1989	2,770	1986	2,490
1988	2,620		

Plant Footage:

1990	150,000 sq. ft.	1988	150,000
1989	150,000	1987	120,140

Sales & Earnings

	Operating Revenues	Net Income
1990	$ 266,198,000	$ 22,522,000
1989	285,347,000	40,682,000
1988	365,240,000	37,066,000
1987	227,353,000	26,515,000
1986	192,707,000	21,068,000

	No. of Com. Shares #	Earn. per Share #
1990	17,931,000	$ 1.26
1989	18,730,000	2.17
1988	18,960,000	1.95
1987	19,228,000	1.39
1986	18,882,000	1.12

Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Systems	$ 170,619,000	$ 195,508,000
Service & other	95,579,000	89,839,000
Total	$ 266,198,000	$ 285,347,000

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1990	$ 0.430	—	—
1989	0.370	—	—
1988	0.270	—	—
1987	0.225	—	—
1986	0.165	—	2-for-1

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 238,640,000	$ 13.33
1989	230,074,000	12.51
1988	204,487,000	11.02
1987	170,190,000	9.24
1986	151,866,000	8.20

Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/2/90	12/3/89
Revenues	$ 266,198	$ 285,347
Cost of systems, service & other	161,086	156,940
Expenses	65,412	68,807
New prod. devel. costs	20,240	21,685
Interest expense	712	399
Other income	(11,626)	(13,407)
Income before taxes	$ 30,374	$ 50,923
Income taxes	7,852	10,241
Net Income	$ 22,522	$ 40,682

* Included in Cost and Expenses, Depreciation and Amortization: $13,241,000 in 1990 and $11,586,000 in 1989.

Assets
(000's)

As of	12/2/90	12/3/89
Cash & cash invest.	$ 128,856	$ 139,944
Marketable securities	14,280	10,939
Accts. receiv., net	65,712	63,793
*Inventories	34,216	38,722
Prepaid expenses	11,770	9,634
Current Assets	$ 254,834	$ 263,032
Lease contracts receiv.	9,187	5,340
Serv. parts	4,507	4,161
#Fixed assets	55,798	48,736
Other assets	13,151	11,741
Total Assets	$ 337,477	$ 333,010

Liabilities
(000's)

	12/2/90	12/3/89
Long-term debt, curr.	$ 351	$ 302
Accts. payable	5,706	6,091
Accruals	59,303	62,185
Income taxes	4,237	7,656
Curr. Liabilities	$ 69,597	$ 76,234
Long-term debt	4,845	4,955
Deferred inc. taxes	24,395	21,747
+Common stock	191	191
Add. paid-in capital	74,762	74,582
Retained earnings	186,363	173,358
For. curr. trans. adj.	6,654	23
Treasury stock	(29,330)	(18,080)
Total Liabilities & Shareholders' Equity	$ 337,477	$ 333,010

* At lower of standard cost or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	11.41	17.85
%Net Income to Revenues	8.46	14.26
%Net Income to Equity	9.44	17.68
Debt to Equity	0.02	0.02
Working Capital	$ 185,237,000	$ 186,798,000
Current Ratio	3.66	3.45
Shareholders' Equity	$ 238,640,000	$ 230,074,000

Mechanical Technology Incorporated

968 Albany-Shaker Road
Latham, New York 12110
(518) 785-2211
FAX: (518) 785-2420

Officers: Harry Apkarian, chairman & chief executive officer; Richard Schmidt, president & chief operating officer; John Recupero, secretary & treasurer; James Ward, president-Ling Electronics, Inc.; Bruce Goldwater, v.p. & gen. mgr.-Technology Group; John Dority, gen. mgr.-L.A.B. Division; Denis Chaves, gen. mgr.-Instruments Division; Lawrence Maciariello, v.p.-human resources; Emily Ross, dir.-communications; Stephen Stone, gen. mgr.-ProQuip, Inc.; Mark A. Smachlo, gen. mgr.-New Business Development Group; Mark Hyland, president-United Telecontrol Electronics; Edward S. Zorzi, gen. mgr.-Engineering & Technology Div.; Douglas A. McCauley, gen. mgr.-Business development; Joseph L. Reinhart, mgr.-corp. development; George E. Hathaway, controller.

Directors: Harry Apkarian, chairman; Beno Sternlicht, V.B. Boghosian, Charles Janjikian, Wayne B. Lyon, Richard G. Mosteller, Felix J. Ponzek, Richard K. Schmidt.

Areas of Work: Operates in three business segments. Defense/Aerospace -develops andmanufactures electronic and electromechanical systems primarily for the military. Technology group provides contract research and development, design and prototype manufacturing services in mechanical engineering, machinery dynamics and diagnostics, tribology, electrical engineering, measurement science, and energy technology. Test and Measurement develops and manufactures high-accuracy inspection systems, shock and vibration testing systems, and electronic instruments using noncontact measurement techniques.

Divisions:

Technology Group Engineering & Technology Division
Latham, New York
Colonie, New York
Arlington, Virginia

Power Systems Division
Colonie, New York
Malta, New York

Instruments Division
Latham, New York

L.A.B. Division
P.O. Box G
Skaneateles, New York 13152
(315) 685-5781

Shaker Research Division
Latham, New York

Subsidiaries:

Ling Electronics, Inc.
4890 East LaPalma Avenue
Anaheim, California 92806

Ling Electronics Limited
Clydebank, Scotland

Turbonetics Energy, Inc.
Malta, New York

United Telecontrol Electronics, Inc.
3500 Sunset Avenue
Asbury Park, New York 07712
(201) 922-1000

Manufactures electronic products for military use, specifically radar transponders, telemetry equipment, missile launchers, and video and trigger amplifiers.

ProQuip, Inc.
Santa Clara, California

Manufactures electronic systems for testing rigid computer disks and is engaged in the development of electronic test equipment for the optical disk market.

Kimball Industries, Inc.
Monrovia, California

Manufactures components and fixtures for use in environmental testing equipment.

Transfer Agent(s):

Mechanical Technology Incorporated
968 Albany-Shaker Road
Latham, New York 12110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTIX (NASDAQ)

Number of Employees:

1990	615	1987	938
1989	703	1986	741
1988	992		

Plant Footage:

1990	392,750 sq. ft.	1987	396,500
1989	406,750	1986	260,000
1988	500,250		

Sales & Earnings

	Revenues *	Net Income
1990	$ 71,916,000	$ (1,333,000)
1989	73,192,000	(2,984,000)
1988	74,060,000	3,163,000
1987	56,313,000	3,125,000
1986	53,874,000	2,614,000

Mechanical Technology Incorporated

	No. of Com. Shares		Earn. per Share #+
1990	3,532,618	$	—
1989	3,523,493		—
1988	3,523,443		0.88
1987	3,540,243		0.86
1986	3,538,318		0.74

(Loss)
+ Of continuing operations only
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

		1990		1989
Defense/aerospace	$	14,021,000	$	19,430,000
Technology group		20,817,000		17,379,000
Test & measurement		37,078,000		36,383,000
Total	$	71,916,000	$	73,192,000

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	25,655,000	$	7.26
1989		26,808,000		7.61
1988		29,869,000		8.48
1987		26,911,000		7.60
1986		23,709,000		6.70

Income Account *

Year ended Sept. 30		1990		1989
Revenues	$	53,683,000	$	57,142,000
Res. & develop. rev.		18,233,000		16,050,000
Total revenues	$	71,916,000	$	73,192,000
Cost of revenues		51,894,000		54,535,000
Expenses		16,458,000		17,615,000
Prod. develop. costs		3,458,000		3,298,000
Interest expense		2,270,000		2,552,000
Other expense		115,000		974,000
Loss bef. taxes	$	(2,279,000)	$	(5,782,000)
Tax credit		(616,000)		(2,048,000)
Cum. effect of acct. change		—		(83,000)
Loss-cont. oper.	$	(1,663,000)	$	(3,651,000)
Inc.-cont. oper.		330,000		667,000
Net Loss	$	(1,333,000)	$	(2,984,000)

* Included in Costs and Expenses, Depreciation and Amortization: $2,984,000 in 1990 and $3,024,000 in 1989.

Assets

As of Sept. 30		1990		1989
Cash & cash equiv.	$	875,000	$	3,809,000
Accts. receiv., net		15,467,000		13,287,000
Inc. taxes receiv.		1,510,000		1,921,000
*Inventories		12,071,000		14,631,000
Prepaid expenses		689,000		672,000
Current Assets	$	30,612,000	$	34,320,000
#Fixed assets		6,694,000		8,127,000
Exc. of cost over assets acq.		16,756,000		17,344,000
Other assets		6,694,000		8,127,000
Total Assets	$	55,581,000	$	60,834,000

Liabilities

Long-term debt	$	2,217,000	$	4,724,000
Accts. payable		5,399,000		4,668,000
Accrued liabilities		5,142,000		4,771,000
Curr. Liabilities	$	12,758,000	$	14,163,000
Long-term debt		15,922,000		18,140,000
Deferred inc. taxes		633,000		9,000
Minority interest		613,000		627,000
Other liabilities		—		1,087,000
+Common stock		3,543,000		3,543,000
Add. paid-in capital		13,079,000		13,131,000
Retained earnings		9,080,000		10,413,000
For. curr. trans. adjust.		53,000		(90,000)
Treasury stock		(100,000)		(189,000)
Total Liabilities & Shareholders' Equity	$	55,581,000	$	60,834,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Debt to Equity		0.71		0.85
Working Capital	$	17,854,000	$	20,157,000
Current Ratio		2.40		2.42
Shareholders' Equity	$	25,655,000	$	26,808,000

Medtronic, Inc.

7000 Central Avenue N.E.
Minneapolis, Minnesota 55432
(612) 574-4000
FAX: (612) 574-4879

Officers: Winston R. Wallin, chairman of the board & chief executive officer; Ronald E. Lund, v.p. & general counsel; William W. George, President & chief executive officer; Glen D. Nelson, vice chairman; Gerard C. Planchon, exec. v.p.-global business; William W. Chorske, sr. v.p. & chief financial officer; Michael J. Boris, v.p. & treasurer; William E. Drake, v.p., deputy general counsel & secretary; Bobby I. Griffin, president-pacing business; Bill Lewis, president-cardiac surgery; Daniel R. Luthringshauser, v.p.-international distribution; Lowell P. Jacobsen, v.p.-human resources; Harold R. Patton, v.p. & chief patent counsel; John A. Meslow, president-neurological business; Paul Citron, v.p.-science & technology; B. Kristine Johnson, v.p.-tachyarrhythmia management; Thomas E. Morin, v.p.-corp. services; Lawrence W. Shearon, v.p.-corp. technology; Michael D. Ellwein, v.p. & asst. general counsel, corp. development; Arthur W. Burnham, v.p.-corp. quality & regulatory affairs; Steven A. Tranter, v.p.-corp. development & diversified finance.

Directors: Earl E. Bakken, founder; Winston R. Wallin, chairman of the board & chief exec. officer; Thomas E. Holloran, Frank J. Dixon, Gerald W. Simonson, Richard L. Schall, William W. George, F. Caleb Blodgett, Richard A. Swalin, Glen D. Nelson, Vernon G. Heath, Bernadine P. Healy.

Areas of Work: Designs, manufactures and markets cardiac pacemakers and other cardiovascular, neurological and rehabilitative medical devices, prosthetic heart valves and nuclear and ultra-sound imaging software, and provides patient monitoring and follow-up services. Designs, manufactures and markets cardiac pacemakers and other cardiovascular, neurological and rehabilitative medical devices, prosthetic heart valves and nuclear and ultra-sound imaging software, and provides patient monitoring and follow-up services.

Divisions and Subsidiaries:

Applied Concepts Research Division

Promeon Division
6700 Shingle Creek Parkway
Brooklyn Center, Minnesota 55430

Andover Medical Incorporated
Manufactures disposable electrodes and cable systems for medical diagnosis and patient monitoring.

Micro-Rel Division
2343 W. 10th Place
Tempe, Arizona 85283
(602) 968-6411
Markets custom integrated circuits for high-technology instrumentation.

Medtronic Fabrication
Zone Industrielle Sud
Route d'Anor
59610 Fourmies, France

New England Research Center Division
45 William Street
Wellesley, Massachusetts

Medtronic Physiological Research Laboratories
1500 Northdale Boulevard
Coon Rapids, Minnesota 55433

Medtronic Biomedical Pty. Ltd.
Suite 8
409 King George's Road
Beverly Hills, 2209 N.S.W., Australia

Medtronic do Brasil Ltda.
Avenida Tambore' 1433
Alphaville, 06400 Barueri
Sao Paulo, Brazil

Medtronic of Canada Ltd.
6733 Kitimat Rd.
Mississauga, Ontario L5N 1W3, Canada
(416) 826-6020

Medtronic Europe S.N.C.
European Headquarters
25, rue Chateaubriand
75008 Paris, France

Medtronic Japan Co., Ltd.
Shuwa Kioi-cho Park Bldg., 5F
3-6 Kioi-cho, Chiyoda-ku
Tokyo 102, Japan

Medtronic B.V.
Wenckebachstraat, 10
6466 Kerkrade-West,
The Netherlands

Cardiocare Division
425 East 61st Street
New York, New York 10021
Provides heart rate monitoring both in person and through a telephone testing service.

Med Rel, Inc.
P.O. Box 8687
Humacao 00661, Puerto Rico

Medtronic Puerto Rico, Inc.
P.O. Box M
Villalba 00766, Puerto Rico

Neuro Division
Manufactures implantable spinal cord stimulators to relieve chronic pain.

Ventures Technology
Assesses market and technological potential of new ideas.

Medtronic Blood Systems, Inc.
Tascon Medical Technology, Inc.
Irvine, California
Have designed tissue valves intended to provide ease of use and safety at initial implant, and easier and faster replacement.

Xenotech Laboratories, Inc.
Irvine, California
Manufactures the INTACT tissue valve, with its maximum ability to handle stress and pressure within the heart; the INTACT valve is marketed in foreign countries.

Vitatron, N.V.
Dieren, The Netherlands
Pacemaker manufacturer

Biotec Technologie Biomediche, S.P.A.
Bologna, Italy
Pacemaker manufacturer

Todd Medical Inc.
Canton, Ohio
Neurological product distributor

La Jolla Technology, Inc.
Manufactures and distributes neurological products.

Interventional Medical, Inc.
Danvers, Massachusetts
Manufactures and markets guiding catheters, which are used to facilitate the maneuvering of balloon catheters and other therapeutic devices through the heart's arteries.

Bio-Medicus, Inc.
Manufacturer of centrifugal blood pumps used in open-heart surgery.

Transfer Agent(s):

Norwest Trust Company, New York
New York, New York

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Stock Exchange(s): New York

Ticker Symbol: MDT

Number of Employees:

1990	6,774	1987	4,952
1989	6,300	1986	4,843
1988	5,728		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 836,553,000	$ 108,720,000
1989	741,699,000	97,429,000
1988	653,319,000	86,521,000
1987	502,011,000	73,816,000
1986	402,811,000	53,413,000

	No. of Com. Shares #	Earn. per Share #
1990	27,007,000	$ 4.03
1989	26,687,000	3.65
1988	27,379,000	3.16
1987	28,144,000	2.63
1986	29,276,000	1.83

+ Includes commissions.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.70	—	2-for-1
1989	0.60	—	—
1988	0.52	—	—
1987	0.44	—	—
1986	0.40	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 540,992,000	$ 19.96
1989	473,609,000	17.69
1988	395,868,000	14.86
1987	386,987,000	13.76
1986	348,702,000	12.14

Adjusted to reflect stock split.

Income Account *
(000's)

Year ended April 30	1990	1989
Net sales	$ 836,553	$ 741,699
Cost of sales	271,776	239,060
Expenses	399,797	372,974
Interest expense	10,115	8,262
Interest income	(5,017)	(4,950)
Litigation settlement	—	(24,000)
Income before taxes	$ 159,882	$ 150,353
Income taxes	51,162	52,924
Net Income	$ 108,720	$ 97,429

* Included in Costs and Expenses, Depreciation and Amortization: $39,352,000 in 1990 and $44,645,000 in 1989.

Assets
(000's)

As of April 30	1990	1989
Cash & temp. invest.	$ 51,590	$ 51,284
Accts. receiv., net	253,065	211,138
* Inventories	127,999	119,577
Prepaid inc. taxes	35,828	29,722
Prepaid expenses	10,281	9,506
Current Assets	$ 478,763	$ 421,227
# Fixed assets	178,146	151,370
Intangibles	142,871	149,067
Other assets	56,699	37,975
Total Assets	$ 856,479	$ 759,639

Liabilities
(000's)

	1990	1989
Short-term borrowings	$ 86,314	$ 72,111
Accts. payable	43,245	44,618
Accrued payroll	32,536	31,633
Other accruals	51,539	45,950
Accrued income taxes	46,786	37,293
Curr. Liabilities	$ 260,420	$ 231,605
Long-term debt	7,996	7,814
Product warranties	7,829	9,715
Deferred inc. taxes	17,200	13,724
Other liabilities	22,042	23,172
+ Common stock	2,711	2,678
Retained earnings	572,632	470,146
Cum. trans. adjust.	5,649	785
Receiv. from ESOP	(40,000)	—
Total Liabilities & Shareholders' Equity	$ 856,479	$ 759,639

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1990	1989
% Income be. Taxes to Sales	19.11	20.27
% Net Income to Sales	13.00	13.14
% Net Income to Equity	20.10	20.57
Sales to Inventories	6.54	6.20
Debt to Equity	0.17	0.17
Working Capital	$ 218,343,000	$ 189,622,000
Current Ratio	1.84	1.82
Shareholders' Equity	$ 540,992,000	$ 473,609,000

Megadata Corporation

35 Orville Drive
Bohemia, New York 11716
(516) 589-6800
FAX (516) 589-6858

Officers: Yitzhak N. Bachara, chairman of the board, president, treasurer & chief exec. officer; John R. Keller, exec. v.p. & secretary; Richard H. DaCosta, controller.

Directors: Yitzhak N. Bachana, chairman; Richard R. Schilling, Jr.; Ronald S. Goldstein; Paul P. Alessandrini.

Areas of Work: Engaged in the design, assembly, sale and service of programmable intelligent video display computer terminals, minicomputers and distributed data processing systems.

Subsidiaries:

TSD Display Products, Inc.
35 Orville Drive
Bohemia, New York 11716
(516) 589-6800
Develops, manufactures and markets touch screen digitizers, display monitors, and welded wire frames.

MEGADATA International Inc.
Barbados

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MDTA (NASDAQ)

Number of Employees:

1990	40	1987	101
1989	N.A.	1986	100
1988	90		

N.A.-Not Available

Plant Footage:

1990	36,000 sq. ft.	1987	36,000
1989	36,000	1986	36,000
1988	36,000		

Sales & Earnings

	Revenues	Net Income
1990	$ 2,852,128	$ (1,450,068)
1989	4,233,424	(1,489,258)
1988	7,932,482	(267,782)
1987	12,544,003	1,317,523
1986	9,002,776	294,707

	No. of Com. Shares #	Earn. per Share #
1990	1,611,600	$ —
1989	1,629,134	—
1988	2,015,817	—
1987	2,130,816	0.62
1986	2,152,310	0.14

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 4,559,870	$ 2.83
1989	6,009,938	3.69
1988	8,099,196	4.02
1987	8,622,228	4.05
1986	7,381,080	3.43

Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended Oct. 31	1990	1989
Revenues:		
Net sales	$ 2,378,289	$ 3,701,605
Service	473,839	531,819
Total revenues	$ 2,852,128	$ 4,233,424

Megadata Corporation

Cost of revenues	2,922,667	4,781,331
Expenses	1,621,803	2,166,683
Interest income	(118,036)	(104,588)
Interest expense	71,202	240
Other income	(14,440)	(85,984)
Loss before taxes	$ (1,631,068)	$ (2,524,258)
Tax credit	(181,000)	(1,035,000)
Net Loss	$ (1,450,068)	$ (1,489,258)

* Included in Costs and Expenses, Depreciation and Amortization: $212,609 in 1990 and $238,751 in 1989.

Assets

As of October 31	1990	1989
Cash & cash equiv	$ 1,560,079	$ 527,605
Accts. receiv., net	536,838	641,061
*Inventories	1,544,698	1,922,602
Prepaid inc. taxes	70,765	1,068,333
Prepaid expenses	266,706	191,337
Current Assets	$ 3,979,086	$ 4,351,478
#Fixed assets	1,969,352	2,168,187
Other assets	27,122	399
Total Assets	$ 5,975,560	$ 6,520,064

Liabilities

Long-term debt, curr	$ 31,750	$ —
Accts. payable	165,084	175,922
Accruals	270,042	298,593
Curr. Liabilities	$ 466,876	$ 474,515
Long-term debt	948,814	—
Deferred inc. taxes	—	35,611
+Common stock	23,031	23,031
Add. paid-in capital	1,883,731	1,883,731
Retained earnings	4,270,333	5,720,401
Treasury stock	(1,617,225)	(1,617,225)
Total Liabilities & Shareholder's Equity	$ 5,975,560	$ 6,520,064

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	1.54	1.93
Debt to Equity	0.22	—
Working Capital	$ 3,512,210	$ 3,876,963
Current Ratio	8.52	9.17
Shareholders' Equity	$ 4,559,870	$ 6,009,938

Mentor Graphics Corporation

8005 S.W. Boeckman Road
Wilsonville, Oregon 97070-7777
(503) 685-7000
FAX: (503) 685-7988

Officers: Thomas H. Bruggere, chairman of the board, chief executive officer & president; Gerard H. Langeler, president-Systems Group; David C. Moffenbeier, president-World Trade Group; Philip J. Robinson, president-Concurrent Engineering Group; Richard J. Anderson, v.p.-human resources; Michael F. Bosworth, v.p. & general manager-PDM Division; David L. Brinker, v.p. & gen. mgr.-Asia Pacific; Jean-Claude Caraes, v.p. & gen. mgr.-Europe; Frank S. Delia, v.p., general counsel & secretary; Dale T. Derby, v.p.-operations; Gary C. Geaslen, v.p.-customer support; Brian C. Henry, v.p. & chief financial officer; Brian W. Maggs, v.p.-North American sales; Berkeley T. Merchant, v.p.-Corp. Continuous Improvement; John B. Wise, III, v.p.-corporate engineering; Stephen Swerling, v.p.-technology; Marvin S. Wolfson, product group v.p.; Tsuneo Suzuki, v.p. & pres.-Mentor Graphics Japan; John C. Carveth, treasurer & asst. secretary; David Y. Chen, v.p.-corp. marketing; Sarwat H. Ramadan, corp. controller & chief accounting officer; Patricia J. O'Connor, v.p.-employee relations.

Directors: Thomas H. Bruggere, chairman; Gerard H. Langeler, David R. Hathaway, Fontaine K. Richardson, David N. Strohm, David C. Moffenbeier, Jon A. Shirley.

Areas of Work: Designs, manufactures, markets and services electronic design automation systems for use in the design, analysis, physical layout, testing, documentation and packaging of complex electronic products.

Divisions and Subsidiaries:

Context Corporation
Design and Analysis Division
Advanced Products Division
Electronic Packaging Division

Contour Design Systems, Inc.
Supplies analog component libraries and modeling technology.

Descartes Automation Systems, Inc.

Silicon Compiler Systems
San Jose, California
Designs, develops, and markets software tools used in the design of complex integrated circuits.

Transfer Agent(s):

First Interstate Bank of Oregon, N.A.
P.O. Box 2971
Portland, Oregon 97208

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MENT (NASDAQ)

Number of Employees:

1990	2,747	1987	1,213
1989	2,116	1986	909
1988	1,709		

Sales & Earnings x

	Net Sales	Net Income
1990	$ 435,185,000	$ 23,625,000
1989	426,359,000	45,539,000
1988	333,333,000	37,042,000
1987	250,895,000	18,859,000
1986	196,418,000	8,522,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	44,833,000	$ 0.53
1989	43,073,000	1.06
1988	40,550,000	0.91
1987	39,645,000	0.48
1986	37,943,000	0.22

x Restated to reflect acquisition of Silicon Compiler Systems Corporation, acquired on a pooling of interests basis.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
System & software	$ 308,690,000	$ 333,880,000
Service & support	126,495,000	92,479,000
Total	$ 435,185,000	$ 426,359,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.22	—	—
1989	0.15	—	2-for-1
1988	0.05	—	—

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1990	$ 326,419,000	$ 7.28
1989	297,850,000	6.92
1988	244,107,000	6.02
1987	203,502,000	5.13
1986	173,238,000	4.57

x Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989‡
Revenues	$ 435,185	$ 426,359
Cost of revenues	179,393	166,626
Expenses		
Research & develop.	74,520	69,361
Mktng., gen. & adm.	156,897	130,222
Merger costs	3,660	—
Other income	(11,640)	(7,552)
Income before taxes	$ 32,355	$ 67,702
Income taxes	8,730	22,163
Net Income	$ 23,625	$ 45,539

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $27,746,000 in 1990 and $23,805,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989‡
Cash & cash equiv	$ 100,994	$ 80,765
Short-term invest	60,761	79,578
Accts. receiv., net	118,667	105,563
Other receivables	9,481	7,115
*Inventories	24,296	20,357
Prepaid expenses	[illegible]	9,226
Deferred taxes	6,919	4,407
Current Assets	$ 331,061	$ 307,011
Land & construc. in progress	65,724	21,005
#Fixed assets	57,317	46,517
Other assets	50,185	31,849
Total Assets	$ 504,287	$ 406,382

Liabilities
(000's)

Short-term borrowings	$ 11,953	$ 9,933
Accts. payable	23,716	19,827
Income taxes pay	13,209	15,954
Accrued payroll	22,300	17,954
Other accruals	28,776	22,360
Deferred revenues	22,884	11,249
Curr. Liabilities	$ 122,838	$ — 97,277
Long-term debt	50,167	7,729
Other deferrals	4,863	3,526
+Common stock	203,417	191,647
Retained earnings	118,232	103,575
For. curr. trans. adjust.	4,770	2,628
Total Liabilities & Shareholders' Equity	$ 504,287	$ 406,382

‡ Restated.
* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Revenues	7.41	15.88
% Net Income to Revenues	5.41	10.68
% Net Income to Equity	7.24	15.29
Debt to Equity	0.19	0.06
Working Capital	$ 208,223,000	$ 209,734,000
Current Ratio	2.70	3.16
Shareholders' Equity	$ 326,419,000	$ 297,850,000

Methode Electronics, Inc.

7444 West Wilson Avenue
Chicago, Illinois 60656
(708) 867-9600
FAX (708) 867-9130

Officers: William J. McGinley, president; William T. Jensen, executive vice president; Kevin Hayes, v.p. & treasurer; Michael G. Andre, exec. v.p.; Arnold A. Brevick, v.p.-Electrical Products Division; Raymond B. Simons, gen. mgr.-Technical Components Co., Inc.; Kenneth E. Kindness, gen. mgr.-Interconnect Products Division; Joseph I. Mulcahy, v.p.-Methode Electronics, Inc.; William J. Green, v.p.-Methode Development Company; K.S. Gan, managing dir.-Methode Electronics, Far East PTE, Ltd.; Philip W. Schofield, gen. mgr.-Fiber Optic Products Div.; Jeffery R. Vetter, gen. mgr.-Connector Division; Steve D. Schueler, v.p.-International Operations-Methode Electronics, Inc.; Terry W.J. O'Brien, gen. mgr.-Lucas Methode Connectors Ltd.; John A. Sider, v.p.-Bus Bar Division; Joseph M. Creeden, president-Interface Technology, Inc.; George A. Smith, pres.-Trace Laboratories; David M. Scheve, gen. mgr.-Trace Laboratories East; Eric L. Vollmar, pres.-Graphic Research, Inc.; William A. Stein, president-Trace Instruments Co., Inc.; John R. Cannon, v.p.-Datamate Division; Robert Kuehnau, corp. controller; Jeffry Schutt, gen. mgr.-Trace Laboratories Central; Claudia J. Lazar, gen. mgr.-Trace Laboratories West; James W. McGinley, v.p.-corporate sales & marketing; Dennis L. Stalzer, vice chairman-Trace Insruments Co., Inc.

Directors: William J. McGinley, William T. Jensen, George C. Wright, Robert C. Keck, Raymond J. Roberts, William C. Croft, Kevin J. Hayes, Michael G. Andre

Areas of Work: Develops and manufactures electronic component devices, including printed circuits, connectors, switches, busbars and back-planes, used in the production of equipment such as computers, communication systems and consumer electronic equipment. Produces automated circuit verification test equipment and performs qualification testing and certification of printed circuit boards.

Divisions and Subsidiaries:

Methode Development Company
7444 W. Wilson Avenue
Chicago, Illinois 60656
(708) 867-9600
Electronic chemicals, materials, process refinement

Electrical Products Division
111 West Buchanan Street
Carthage, Illinois 62321
(217) 357-3941
Automotive switches and controls

Methode Electronics, Inc. East
Printed Circuit Division
One Industrial Park, Box M
Willingboro, New Jersey 08046
(609) 871-3500
Printed circuits

Interconnect Products Division
1700 Hicks Road
Rolling Meadows, Illinois 60008
(708) 392-3500
Interconnect systems, microcircuit sockets, devices and custom wiring harnesses.

Connector Division
7447 W. Wilson Avenue
Chicago, Illinois 60656
(708) 867-9600
Connectors,card receptable, rack and panel, punched plate, connector circuit, card panel assemblies and wire panels, plyoduct conductor cables.

Graphic Research, Inc.
9334 Mason Avenue
Chatsworth, California 91311
(213) 886-7340
Printed circuits

Technical Components Company, Inc.
6633 W. 99th Street
Chicago Ridge, Illinois 60415
(708) 424-1900
High voltage leads and harnesses, jacks, and jack panel assemblies, and battery cables.

Trace Instruments Co., Inc.
9020 Eton Ave.
Canoga Park, California 91304
(213) 341-5593
Electronic testing equipment

Trace Laboratories
Bus Bar Division
Backplane Division
Methode Electronics, Far East PTE, Ltd.
Lucas Methode Connectors Ltd.

Transfer Agent(s):

Continental Bank N.A.
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: METHA and METHB (NASDAQ)

Number of Employees:

1990	1,911	1988	1,975
1989	1,925		

Plant Footage:

1990	491,000 sq. ft.	1988	450,000
1989	491,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 132,782,820	$ 5,096,046
1989	122,174,934	2,165,562
1988	112,686,853	5,126,740
1987	95,662,301	2,942,221
1986	95,992,692	5,864,561

	No. of Com. Shares †	Earn. per Share †
1990	11,051,000	$ 0.46
1989	10,942,000	0.20
1988	10,860,000	0.47
1987	10,831,000	0.27
1986	10,473,000	0.56

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.13	—	—
1989	0.13	—	—
1988	0.13	—	—
1987	0.13	—	—
1986	0.13	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 54,801,006	$ 4.96
1989	49,904,877 ‡	4.56
1988	48,062,766 ‡	4.43
1987	43,000,767 ‡	3.97
1986	40,408,327 ‡	3.74

‡ After allowing for preferred stock at par value of $100 per share.
† Adjusted to reflect stock split.

Income Account *

Year ended April 30	1990	1989
Net sales	$ 132,782,820	$ 122,174,934
Other income	909,953	592,110
Total income	$ 133,692,773	$ 122,767,044
Cost of sales	103,151,055	97,942,105
Expenses	21,223,214	20,573,544
Interest expense	702,458	685,833
Income before taxes	$ 8,616,046	$ 3,565,562
Income taxes	3,520,000	1,400,000
Net Income	$ 5,096,046	$ 2,165,562

* Included in Costs and Expenses, Depreciation and Amortization: $5,658,320 in 1990 and $5,141,220 in 1989.

Assets

As of April 30	1990	1989
Cash & cash equiv.	$ 9,385,114	$ 2,295,169
Accts. receiv., net	20,694,428	17,700,407
*Inventories	18,235,281	21,829,193
Deferred inc. taxes	1,933,000	1,401,000
Prepaid expenses	1,134,782	504,994
Current Assets	$ 51,382,605	$ 43,730,763
≠Fixed assets	29,474,875	29,068,573
Other assets	3,933,218	2,941,339
Total Assets	$ 84,790,698	$ 75,740,675

Liabilities

Notes payable & long-term debt, curr.	$ 2,601,838	$ 3,148,445
Accts. payable	8,387,742	6,335,131
Accrued payroll	3,643,822	3,155,616
Accrued taxes & other exp.	4,768,749	3,335,503
Income taxes	2,526,241	1,485,251
Curr. Liabilities	$ 21,928,392	$ 17,459,946
Long-term debt		
Bank note	905,000	1,325,000
Mortgage	1,415,968	1,935,417
Bldg. lease agree.	495,000	592,000
Deferred compensation	3,213,332	2,693,435
Deferred inc. taxes	2,032,000	1,730,000
+Preferred stock	—	100,000
++Common stock, Class A	4,897,472	4,788,946
++Common stock Class B	687,944	742,767
Stock awards	(177,740)	(251,696)
Add. paid-in capital	13,501,021	13,187,401
Retained earnings	35,680,750	31,367,277
For. curr. trans. adjust.	255,765	114,388
Treasury stock	(44,206)	(44,206)
Total Liabilities & Shareholders' Equity	$ 84,790,698	$ 75,740,675

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $100 par value, Series A, 4% cumulative convertible.
++ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.49	2.92
% Net Income to Sales	3.84	1.77
% Net Income to Equity	9.30	4.33
Sales to Inventories	7.28	5.60
Debt to Equity	0.10	0.14
Working Capital	$ 29,454,213	$ 26,270,817
Current Ratio	2.34	2.50
Shareholders' Equity	$ 54,801,006	$ 50,004,877

Metro Tel Corp.

485-13 South Broadway
Hicksville, New York 11801-5071
(516) 937-3420
FAX: (516) 937-3426

Officers: Venerando J. Indelicato, president & treasurer; Lloyd Frank, secretary.

Directors: Sheppard Beidler, Venerando J. Indelicato, Lloyd Frank, Michael Michaelson, Michael H. Epstein.

Areas of Work: Engaged in the manufacture of telephone test and maintenance equipment, telephone subscriber equipment, telephone power supplies and coupling units, chemically heated soldering irons, and transmission test equipment.

Transfer Agents:

Registrar & Transfer Co.
10 Commerce Drive
Cranford, New Jersey
Manufactures and markets specialty telephone products

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTRO (NASDAQ)

Number of Employees:

1990	48	1987	74
1989	50	1986	58
1988	50		

Plant Footage:

1990	35,000 sq. ft.	1987	34,700
1989	40,000	1986	30,525
1988	40,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 4,919,630	$ (143,727)
1989	5,441,686	97,483
1988	6,295,231	66,032
1987	5,833,015	(106,372)
1986	5,489,193	320,787

	No. of Comm. Shares	Earn. per Share #
1990	2,004,046	$ —
1989	2,004,046	0.04
1988	2,004,046	0.02
1987	1,999,705	—
1986	1,905,183	0.16

(Loss)
Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Revenues by Line of Business

	1990	1989	1988
Telephone test equip.	82 %	76 %	68 %
Customer premise equip.	11	18	27
Other prods. & svcs.	7	6	5
Total	100 %	100 %	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	0.03	5%	—
1986	0.03	5%	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 2,422,315	$ 1.21
1989	2,591,242	1.29
1988	2,518,959	1.26
1987	2,470,252	1.24
1986	2,649,422	1.39

Income Account *

Year ended June 30	1990	1989
Net sales	$ 4,919,630	$ 5,441,686
Cost of sales	3,410,421	3,414,874
Expenses	1,667,232	1,701,548
Interest expense	155,904	206,185
Interest income	(49,200)	(12,404)
Inc. (loss) bef. taxes	$ (264,727)	$ 131,483
Tax credit	(121,000)	34,000
Net Income (Loss)	$ (143,727)	$ 97,483

* Included in Cost and Expenses, Depreciation and Amortization: $237,089 in 1990 and $243,231 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 188,013	$ 235,686
Accts. receiv., net	578,557	709,067
*Inventories	2,095,243	2,318,282
Refund inc. taxes	85,417	—
Other receiv.	—	24,561
Prepaid expenses	25,700	26,933
Current Assets	$ 2,972,930	$ 3,314,529
#Fixed assets	320,727	474,463
Other assets	1,108,246	1,193,491
Total Assets	$ 4,401,903	$ 4,982,483

Liabilities

	1990	1989
Long-term debt, curr.	$ 411,721	$ 415,865
Accts. payable	217,671	321,379
Accruals	165,051	152,151
Deferred revenue	88,745	—
Curr. Liabilities	$ 883,188	$ 889,395
Long-term debt	717,500	1,129,221
Deferred income taxes	—	12,625
+ Redeem. preferred stock	378,900	360,000
++ Common stock	50,757	50,757
Add. paid-in capital	1,896,773	1,896,773
Retained earnings	543,535	712,462
Treasury stock	(68,750)	(68,750)
Total Liabilities & Shareholders' Equity	$ 4,401,903	$ 4,982,483

* At lower of cost (weighted average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; 7% cumulative convertible.
++ $0.025 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	—	2.42
% Net Income to Sales	—	1.79
% Net Income to Equity	—	3.76
Sales to Inventories	2.35	2.35
Debt to Equity	0.47	0.60
Working Capital	$ 2,089,742	$ 2,425,134
Current Ratio	3.37	3.73
Shareholders' Equity	$ 2,422,315	$ 2,591,242

Microdyne Corporation

P.O. Box 7213

491 Oak Road
Silver Springs Shores Industrial Park
Ocala, Florida 32672
(904) 687-4633
FAX: (904) 687-3392

Officers: Kenneth G. Harple, president & chief executive officer; Donald L. Feller, exec. v.p. & secretary; Joseph F. Delaney, v.p.; Charles R. Brewer, v.p.; Robert K. Michaels, v.p., treasurer, assistant secretary & chief financial officer; William M. Lennox, v.p.-government products; William S. Holderby, v.p.-communications systems; Ronald S. Posner, v.p.-Antennas and Radomes Profit Center.

Directors: Carl N. Singer, Donald L. Feller, Michael S. Balbes, Robert P. Adelman, Carl H. Cahill, Sean Boland, Kenneth G. Harple, Robert L. Cantor.

Areas of Work: Designs, manufactures, and markets telemetry receivers and ancillary equipment for the U.S. Government and the aircraft and aerospace industries. The company designs, manufactures and markets earth station componenets for satellite communications. Microdyne also performs system integration through installation, planning, and program management for the telemetry and satellite communications industries.

Divisions and Subsidiaries:

Telemetry Division
Satellite Communications Division
Systems Division

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MCDY (NASDAQ)

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income #
1990	$ 21,922,281	$ (3,103,785)
1989	17,953,140	551,665
1988	16,853,295	(940,884)
1987	17,702,000	(1,842,362)
1986	20,909,000	(6,029,017)

	No. of Com. Shares	Earn. per Share # *
1990	4,164,360	$ —
1989	4,081,695	0.13
1988	4,081,445	—
1987	4,181,445	—
1986	4,492,648	—

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $201,481 ($0.05 per share) in 1989.
* Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Telemetry	$ 14,711,000	$ 13,692,000
Communication systems	4,725,000	4,261,000
Wireless data couplers	2,467,000	—
Other	19,000	—
Total	$ 21,922,000	$ 17,953,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	0.06	—	—
1986	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 20,655,759	$ 4.96
1989	23,454,362	5.75
1988	22,901,822	5.61
1987	24,163,988	5.78
1986	27,325,459	6.08

Income Account *

Year ended	10/28/90	10/29/89
Net sales	$ 21,922,281	$ 17,953,140
Cost of sales	15,860,766	13,708,771
Expenses	5,546,136	3,559,148
Interest income	(420,661)	(658,677)
Interest expense	120,024	57,872
Write-off - conv. note recevs	700,000	—
Income before taxes	$ 116,016	$ 1,286,026
Income taxes	53,000	475,000
Income-cont. oper	$ 63,016	$ 811,026
Loss-discont. oper	(3,166,801)	(460,842)
Net Income (Loss)	$ (3,103,785)	$ 350,184
Extraord. gain	—	201,481
Net Income (Loss) & extraord. gain	$ (3,103,785)	$ 551,665

* Included in Costs and Expenses, Depreciation and Amortization: $939,361 in 1990 and $933,505 in 1989.

Assets

As of	10/28/90	10/29/89
Cash & cash equiv	$ 2,412,798	$ 7,642,769
Short-term invest	—	500,000
Accts. recev., net	6,453,841	5,784,918
*Inventories	6,098,296	6,841,796
Prepaid expenses	204,434	114,695
Net assets - discont. oper	855,309	—
Current Assets	$ 16,024,678	$ 20,884,178
# Fixed assets	4,354,474	4,905,594
Marketable securities	241,875	241,875
Goodwill	2,238,952	—
Noncompete agreement	2,238,952	—
Product license agreements	284,711	—
Cap. software develop costs	608,550	—
Other assets	493,240	264,048
Total Assets	$ 24,688,147	$ 26,295,695

Liabilities

Long-term debt, curr	$ 298,000	$ 84,349
Accts. payable	1,043,850	945,912
Accruals	1,316,704	1,204,182
Curr. Liabilities	$ 2,658,554	$ 2,234,443
Long-term debt	1,373,834	606,890
+Common stock	465,766	455,790
Add. paid-in capital	20,703,555	20,354,468
Retained earnings	1,422,413	4,526,198
Treasury stock	(1,935,975)	(1,882,094)
Total Liabilities & Shareholders' Equity	$ 24,688,147	$ 26,295,695

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.10 par value

Statistical Summary

% Net Income to Equity	—	1.49
Sales to Inventories	3.59	2.62
Debt to Equity	0.08	0.03
Working Capital	$ 13,366,124	$ 18,649,735
Current Ratio	6.03	9.35
Shareholders' Equity	$ 20,655,759	$ 23,454,362

Micropolis Corporation

21211 Nordhoff Street
Chatsworth, California 91311
(818) 709-3300
FAX: (818) 709-3497

Officers: Stuart P. Mabon, president; Ericson M. Dunstan, sr. v.p.-corporate engineering; Chester Baffa, sr. v.p.-marketing & sales; Terrence Ostridge, v.p.-sales; Robert G. Wallstrom, sr. v.p.-operations; Dale J. Bartos, sr. v.p.-finance & chief financial officer; James L. Hodges, v.p.-quality assurance; David L. Bultman, v.p.-engineering; Richard J. Decker, v.p.-management information systems; Craig J. Ringuette, v.p.-marketing; Barbara V. Scherer, v.p. & treasurer; Harry Van Wickle, v.p.-Thailand operations.

Directors: Stuart P. Mabon, chairman; Ericson M. Dunstan, J. Burgess Jameson, Theodore J. Smith.

Areas of Work: Designs and manufactures high-performance disk drives and markets these drives to original equipment manufacturers and distributors. The company's principal products are Winchester drives with high capacity, fast access, and low lifetime cost.

Subsidiaries:

Micropolis S.r.L.
Via G. Stephenson 43A
20157 Milan, Italy
(39) 233200635

Micropolis GmbH
Behringstr. 10
8033 Planegg bei Munchen
West Germany

Micropolis SARL
2 rue du Buisson aux Fraises
Z.I. de la Bonde
91300 Massy, France

Micropolis A.B.
Alpvagen 10, Box 20117
16102 Bromma, Sweden

Micropolis Corporation (Thailand) Ltd.
733/3-6 Phaholyothin Road
Lumlookar Pathumthani 12130, Thailand
Micropolis Limited

Transfer Agent(s):

First Interstate Bank of California
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MLIS (NASDAQ)

Number of Employees:

1990	3,020	1987	N.A.
1989	3,200	1986	1,792
1988	3,198		

Plant Footage:

1990	399,000 sq. ft.	1987	N.A.
1989	432,000	1986	220,000
1988	432,000		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 380,572,000	$ 7,926,000
1989	307,334,000	(49,766,000)
1988	353,057,000	(19,407,000)
1987	288,256,000	27,240,000
1986	213,135,000	18,250,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	11,626,000	$ 0.68
1989	11,552,000	—
1988	11,464,000	—
1987	11,335,000	2.40
1986	10,585,000	1.72

( ) Loss
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 80,139,000	$ 6.89
1989	71,850,000	6.22
1988	121,151,000	10.57
1987	139,317,000	12.29
1986	110,719,000	10.46

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	12/28/90	12/29/89
Net sales	$ 380,572	$ 307,334
Cost of sales	315,745	308,806
Expenses		
Res. & develop	20,342	23,439
Selling, gen. & adm	29,348	25,148
Prov. for prod. discont	—	3,100
Interest expense	6,452	6,391
Inc. (loss) bef. taxes	$ 8,645	$ (59,550)
Income taxes (credit)	719	(9,784)
Net Income (Loss)	$ 7,926	$ (49,766)

* Included in Costs and Expenses, Depreciation and Amortization: $22,744,000 in 1990 and $22,944,000 in 1989.

Assets
(000's)

As of	12/28/90	12/29/89
Cash	$ 12,624	$ 8,970
Accts. recev., net	67,251	62,739
*Inventories	68,933	62,534
Other curr. assets	7,789	9,222
Current Assets	$ 157,597	$ 143,465
# Fixed assets	57,264	71,221
Other assets	2,304	2,209
Total Assets	$ 217,165	$ 216,895

Liabilities

Note payable	$ 5,937	$ 12,500
Accts. payable	40,171	41,003
Accrued payroll	3,435	2,576
Other accruals	5,463	7,384
Income taxes	963	525
Curr. Liabilities	$ 55,969	$ 63,988

Micropolis Corporation

Convert. subord. deben.		75,000		75,000
Deferred inc. taxes		6,057		6,057
+Common stock		11,658		11,578
Add. paid-in capital		76,289		76,006
Retained earnings (deficit)		(7,808)		(15,734)
Total Liabilities & Shareholders' Equity	$	217,165	$	216,895

* At lower of cost (standard) or market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales		2.27		—
% Net Income to Sales		2.08		—
% Net Income to Equity		9.89		—
Sales to Inventories		9.52		4.91
Debt to Equity		1.01		1.22
Working Capital	$	101,628,000	$	79,477,000
Current Ratio		2.82		2.24
Shareholders' Equity	$	80,170,000	$	71,850,000

Microsemi Corporation

2830 South Fairview Street
Santa Ana, California 92704
(714) 979-8220
FAX: (714) 557-5989

Officers: Philip Frey, Jr., chairman of the board, president & chief exec. officer; Richard L. Geiger, vice chairman of the board; Jiri Sandera, v.p.-engineering; David R. Sonksen, v.p.-finance, chief financial officer, treasurer & secretary.

Directors: Philip Frey, Jr., chairman; Richard L. Geiger, Jiri Sandera, Fred Burns, Brad Davidson, Norman Neumann.

Areas of Work: The Company designs and manufactures a broad line of discrete semiconductors, and microelectronic hybrid and surface mount assemblies, and provides hi-rel screening and testing services, principally for military, aerospace, medical, computer, telecommunications and other electronics markets. Major products are silicon rectifiers, zener diodes, low-leakage and high-voltage diodes, temperature-compensated zener diodes and a family of subminiature high-power transient suppressor diodes.

Subsidiaries:

Microsemi (H.K.) Ltd.
Hong Kong
Manufacturer of semiconductor products.

Microsemi Corp.- Scottsdale
Scottsdale, Arizona

Semcon Electronics Pvt. Ltd.
Bombay, India

Micro-CeramX Technology, Inc.
San Diego, California
Manufacture of multilayer ceramic capacitors.

Bikor Corporation
Torrance, California
Manufactures power supplies for the telecommunications industry.

Omni Technology Corporation
San Jose, California
Screens and tests components.

Sertech Laboratories, Inc./SSI
Beverly, Massachusetts
Distributes specialty semiconductor dice.

Microsemi Corp. - Colorado
Broomfield, Colorado
Manufactures and markets power semiconductors.

Surface Mounted Technology Corporation
San Jose, California
Manufactures surface mounted printed circuit board assemblies.

General Microcircuits, Inc.
Mooresville, North Carolina
Manufactures surface mounted printed circuit board assemblies.

Microsemi Assembly & Test, Inc.
Riverside, California
Screens and tests Components.

Micro Quality Semiconductor, Inc.
Garland, Texas
Manufactures Diodes.

Transfer Agent(s):

First Instertate Bank
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MSCC (NASDAQ)

Number of Employees:

1990	1,500	1987	1,411
1989	1,728	1986	1,120
1988	2,417		

Plant Footage:

1990	707,790 sq. ft.	1987	668,804
1989	707,790	1986	208,000
1988	646,215		

N.A. - Not Available

Sales & Earnings

		Net Sales		Net Income #
1990	$	88,882,000	$	(11,548,000)
1989		103,539,000		(8,371,000)
1988*		83,708,000		2,971,000
1987		46,821,000		5,310,000
1986		58,742,000		5,475,000

	No. of Com. Shares ‡		Earn. per Share #‡
1990	7,514,000	$	—
1989	7,568,000		—
1988*	8,611,000		0.35
1987	9,220,000		0.58
1986	8,588,000		0.64

( ) Loss
* 53 weeks.
# Including extraordinary gains of $514,000 in 1989 and $493,000 ($0.06 per share) in 1988.
‡ Based on the weighted average number of shares outstanding.

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1990	$	—	—	—
1989		—	—	—
1988		—	—	—
1987		0.06	—	—
1986		—	—	—

Common Stock Equity

		Total Equity		Equity Per Share +
1990	$	9,607,000	$	1.28
1989		21,192,000		2.80
1988		32,112,000		3.73
1987		37,076,000		4.02
1986		33,560,000		3.88

+ Based on the weighted average number of shares outstanding.

Income Account *

Year ended		9/30/90		10/1/89
Net sales	$	88,882,000	$	103,539,000
Cost of sales		68,653,000		78,971,000
Expenses		15,738,000		19,012,000
Amort. of goodwill		673,000		1,453,000
Interest expense		3,469,000		4,792,000
Interest income		(41,000)		(268,000)
Est. loss of dispositions		11,000,000		8,924,000
Writeoffs rel. to unconsol. affils. & goodwill		2,122,000		2,685,000
Other expense (income)		(584,000)		149,000
Loss before taxes	$	(12,148,000)	$	(12,179,000)
Tax credit		(600,000)		(4,094,000)
Eq. in loss - unconsol. affil.		—		800,000
Net Loss	$	(11,548,000)	$	(8,885,000)
Extraord. gain		—		514,000
Net Loss & extraord. gain	$	(11,548,000)	$	(8,371,000)

* Included in Costs and Expenses, Depreciation and Amortization: $5,521,000 in 1990 and $7,098,000 in 1989.

Assets

As of		9/30/90		10/1/89
Cash & cash equiv.	$	1,897,000	$	1,837,000
Marketable securities		—		17,000
Accts. receiv., net		14,601,000		17,482,000
Refund inc. taxes		3,820,000		2,018,000
*Inventories		26,998,000		30,887,000
Net assets of dispositions		19,264,000		9,657,000
Deferred income taxes		2,789,000		5,546,000
Other curr. assets		1,125,000		1,037,000
Current Assets	$	70,486,000	$	68,481,000
#Fixed assets		24,233,000		32,069,000
Other assets		6,038,000		8,737,000
Total Assets	$	100,757,000	$	109,287,000

Liabilities

Notes payable	$	7,358,000	$	16,962,000
Long-term debt, curr.		2,630,000		2,635,000
Accts. payable & accruals		10,246,000		11,165,000
Reserve for loss on dispos.		12,740,000		6,490,000
Income taxes		800,000		—
Curr. Liabilities	$	33,774,000	$	37,252,000
Long-term debt		52,001,000		47,565,000
Def. income taxes		1,994,000		2,191,000
Other liabilities		3,381,000		1,087,000
+Common stock		1,501,000		1,501,000
Add. paid-in capital		14,240,000		14,239,000
Retained earnings (deficit)		(6,134,000)		5,452,000
Total Liabilities & Shareholders' Equity	$	100,757,000	$	109,287,000

* At lower of cost (FIFO) or market. Scottsdale, AZ inventory at LIFO.
# Less accumulated depreciation
+ $0.20 par value

Statistical Summary

Sales to Inventories		3.29		3.35
Debt to Equity		6.45		3.19
Working Capital	$	36,712,000	$	31,229,000
Current Ratio		2.09		1.84
Shareholders' Equity	$	9,607,000	$	21,192,000

Microwave Filter Company, Inc.

6743 Kinne Street
East Syracuse, New York 13057
(315) 437-3953
FAX: (315) 463-1467

Officers: Carson Buck, chairman; Glyn Bostick, president & CEO; Emily Bostick, exec. v.p., corp. secretary & director of sales; Alice Berry, v.p. & director of employee development; Carl Fahrenkrug, v.p.-corp. development; Richard L. Jones, v.p. & treasurer; Robert Portmess, v.p.-manufacturing.

Directors: Carson Buck, chairman of the board; Glyn Bostick, Emily Bostick, Trudi Berwick Artini, Michael Chiappone, Henry Cramer, Edward Dietrich, Frederick Dix, William J. Fraser, Louis Misenti, David Robinson, Carl Fahrenkrug, Milo Peterson, Ronald Ray.

Areas of Work: Designs and manufactures microwave components and integrated microwave assemblies and systems for use in electronic communications industries, including cable television, satellite communications, microwave communications (including defense electronics), personal communications (amateur radio), and radio frequency electronics.

Subsidiaries:

Microwave Filter International, Ltd.
Foreign sales corporation.

Niagara Scientific, Inc.
Manufactures environmental monitoring equipment and industrial automation equipment.

Transfer Agent(s):

Microwave Filter Company, Inc.
East Syracuse, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MFCO (NASDAQ)

Plant Footage:

1990	24,000 sq. ft.	1987	24,000
1989	24,000	1986	24,000
1988	24,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 7,442,569	$ 539,729
1989	5,793,034	463,113
1988	5,271,580	418,117
1987	4,647,900	322,426
1986	5,301,012	234,549

	No. of Com. Shares ‡	Earn. per Share ‡
1990	2,900,708	$ 0.19
1989	2,746,013	0.17
1988	2,734,034	0.15
1987	2,730,189	0.12
1986	2,721,013	0.09

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.07	10%	—
1989	0.07	—	—
1988	—	5%	—
1987	—	5%	—
1986	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 3,783,781	$ 1.30
1989	2,958,406	1.08
1988	2,657,724	0.97
1987	2,235,169	0.82
1986	1,901,706	0.70

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account*

Year ended Sept. 30	1990	1989
Net sales	$ 7,442,569	$ 5,793,034
Cost of sales	4,227,342	3,198,207
Expenses	2,412,374	1,927,958
Rental income	(12,024)	(26,010)
Other income	(20,284)	(25,875)
Interest income	(19,180)	(43,456)
Interest expense	46,338	45,981
Income before taxes	$ 808,003	$ 716,229
Income taxes	268,274	253,116
Net Income	$ 539,729	$ 463,113

* Included in Costs and Expenses, Depreciation: $320,849 in 1990 and $229,085 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	$ 64,134	$ 59,283
Cert. of deposit	407,355	404,673
Accts. receiv., net	1,208,843	743,834
*Inventories	1,659,011	1,063,805
Prepaid expenses	84,144	77,758
Current Assets	$ 3,423,487	$ 2,349,353
‡Fixed assets	2,211,640	2,072,316
Other assets	133,518	10,639
Total Assets	$ 5,768,645	$ 4,432,308

Liabilities

	1990	1989
Notes payable	$ 95,000	$ 4,881
Cap. lease oblig., curr.	59,702	61,927
Accts. payable	557,108	438,995
Cust. deposits	203,848	—
Accrued payroll	248,026	219,461
Accrued inc. taxes	23,484	5,813
Accrued profit-sharing	33,048	31,925
Curr. Liabilities	$ 1,220,216	$ 763,002
Long-term debt	85,383	—
Cap. lease oblig.	389,765	448,982
Deferred comp.	98,659	76,829
Deferred inc. taxes	190,841	185,089
+Common stock	288,401	249,845
Add. paid-in capital	1,710,720	1,288,430
Retained earnings	1,789,111	1,424,220
Treasury stock	(4,451)	(4,089)
Total Liabilities & Shareholders' Equity	$ 5,768,645	$ 4,432,308

* At lower of cost (FIFO) or market.
‡ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	10.86	12.36
% Net Income to Sales	7.25	7.99
% Net Income to Equity	14.26	15.65
Sales to Inventories	4.49	5.45
Debt to Equity	0.17	0.17
Working Capital	$ 2,203,271	$ 1,586,351
Current Ratio	2.81	3.08
Shareholders' Equity	$ 3,783,781	$ 2,958,406

Milgray Electronics, Inc.

77 Schmitt Boulevard
Farmingdale, New York 11735
(516) 420-9800
FAX: (516) 752-9870

Officers: Herbert S. Davidson, president; Richard Hyman, exec. v.p. & v.p.-sales/marketing; Herschel M. Weinberg, secretary; John R. Tortorici, v.p.-finance & treasurer; Gary Adams, regional v.p.-sales; Darren O'Donnell, v.p.-marketing; Steven Sokoloff, v.p.-marketing; Andrew Epstein, v.p.-operations; Elliott Stevens, regional v.p.-sales; Thomas Woolf, regional v.p.-sales; Elio Carlino, controller & assistant treasurer.

Directors: Herbert S. Davidson, Robert G. Davidoff, Richard Hyman, Herschel M. Weinberg.

Areas of Work: Engaged in the distribution of electronic components produced by a large number of manufacturers. Items sold consist principally of semiconductors, electromechanical devices (relays and electronic hardware) and capacitors, computer products, value-added product, wire & cable.

Divisions and Subsidiaries:

Milgray/Cleveland, Inc.
6155 Rockside Road
Cleveland, Ohio 44131
(216) 447-1520

Milgray/Florida, Inc.
1850 Lee Road, Suite 104
Winter Park, Florida 32789
(407) 647-5747

Milgray/Houston, Inc.
12919 Southwest Freeway
Stafford, Texas 77477
(713) 240-5360

Milgray/International, Inc./Milgray Electronics AG
77 Schmitt Boulevard
Farmingdale, New York 11735
(516) 420-9800

Milgray Electronics, Inc.
30 West Drive
Brighton, Sussex BN2 2GE, England

7320 Goeppingen,
West Germany

Neuengasse 19
Biel, Switzerland

Milgray/Delaware Valley, Inc.
3001 Greentree Executive Campus
Marlton, New Jersey 08053
(609) 983-5010

Milgray/Atlanta
3000 Northwoods Parkway
Norcross, Georgia 30071
(404) 446-9777

Migray/Orange County, Inc.
16 Technology Drive
Irvine, California 92718

Milgray/Kansas City, Inc.
6400 Glenwood
Overland Park, Kansas 66202
(913) 236-8800

Milgray/New Jersey, Inc.
1055 Parsippany Boulevard
Parsippany, New Jersey 07054
(201) 335-1766

Milgray/New York, Inc.
77 Schmitt Boulevard
Farmingdale, New York 11735
(516) 391-3000

Milgray/Upstate New York
1170 Pittsford-Victor Road
Pittsford, New York 14534
(716) 381-9700

Milgray/Washington, Inc
9801 Broken Land Parkway
Columbia, Maryland 21046
(301) 995-6169

Migray/Raleigh, Inc
2925 Huntleigh Drive
Raleigh, North Carolina 27604
(919) 790-8094

Birnbach Co., Inc
81 Schmitt Boulevard
Farmingdale, New York 11735
(516) 420-0400

Milgray/Connecticut
326 West Main Street
Milford, Connecticut 06460
(203) 878-5538

Milgray/Chicago, Inc
1530 E. Dundee Road
Palatine, Illinois 60067
(708) 202-1900

Milgray/Dallas, Inc
16610 North Dallas Parkway
Dallas, Texas 75248
(214) 248-1603

Milgray/California, Inc
912 Pancho Road
Camarillo, California 93012
(805) 484-4055

Milgray/New England, Inc
187 Ballardvale Street
Wilmington, Massachusetts 01887
(617) 657-5900

Milgray/Toronto, Inc
150 Consumers Road
Willowdale, Ontario M2J 1p9 Canada
(416) 756-4481

268 Lakeshore Road
Point-Claire, Quebec H9S 4K9 Canada
(514) 426-5900

Milgray/Utah, Inc
310 East 4500 South
Murray, Utah 84107
(801) 261-2999

Milgray Electronics/P.R., Inc
Calle #1, Carr. 188
Canovanas 00629 Puerto Rico
(809) 876-8200

Transfer Agent(s):

Registrar and Transfer Co
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MGRY

Number of Employees:

1990	400	1987	330
1989	360	1986	300
1988	380		

Plant Footage:

1990	80,000 sq. ft.	1987	80,000
1989	80,000	1986	80,000
1988	80,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 101,021,681	$ 442,422
1989	100,696,000	1,439,357
1988	97,072,958	2,281,485
1987	73,797,920	851,628
1986	62,004,437	175,738

	No. of Com. Shares	Earn. per Share ‡
1990	778,690	$ 0.57
1989	778,690	1.85
1988	778,690	2.93
1987	778,690	1.09
1986	778,690	0.23

‡ Based on the weighted average number of common shares outstanding during each period

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 15,762,496	$ 20.24
1989	15,320,074	19.67
1988	13,880,717	17.83
1987	11,599,237	14.90
1986	10,747,609	13.80

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 101,021,681	$ 100,696,999
Cost of sales	76,749,112	75,292,026
Expenses	22,484,217	22,375,165
Interest expense	1,283,564	1,211,465
Income before taxes	$ 504,788	$ 1,818,343
Income taxes	62,366	378,986
Net Income	$ 442,422	$ 1,439,357

* Included in Costs and Expenses, Depreciation and Amortization: $250,489 in 1990 and $250,920 in 1989

Assets

As of Dec. 31	1990	1989
Cash	$ 2,062,833	$ 1,948,915
Accts. receiv., net	13,576,852	11,573,034
*Inventories	20,173,687	21,463,051
Prepaid expenses & sundry expenses	1,196,218	425,970
Deferred inc. taxes	38,867	52,418
Current Assets	$ 37,048,457	$ 35,463,388
#Fixed assets	2,679,017	2,627,862
Other assets	109,344	151,989
Total Assets	$ 39,836,818	$ 38,243,239

Liabilities

	1990	1989
Demand loans	$ 676,237	$ 766,730
Long-term debt, curr.	80,656	111,097
Accts. payable	6,692,540	7,317,167
Accruals & sundry liabilities	1,113,891	2,038,570
Inc. taxes payable	402,674	483,699
Curr. Liabilities	$ 8,965,998	$ 10,717,263
Long-term debt	15,108,324	12,029,037
Deferred income taxes payable	—	176,865
+Common stock	200,003	200,003
Add. paid-in capital	26,675	26,675
Retained earnings	15,586,383	15,143,961
Treasury stock	(50,565)	(50,565)
Total Liabilities & Shareholders' Equity	$ 39,836,818	$ 38,243,239

* At lower of cost (moving average) or market
# Less accumulated depreciation and amortization
+ $0.25 par value

Statistical Summary

% Income bef. Taxes to Sales	~~0.50~~	1.81
% Net Income to Sales	0.44	1.43
% Net Income to Equity	2.81	9.40
Sales to Inventories	5.01	4.69
Debt to Equity	1.01	0.84
Working Capital	$ 28,082,459	$ 14,746,125
Current Ratio	4.13	3.31
Shareholders' Equity	$ 15,762,496	$ 15,320,074

Milton Roy Company

(The Company was acquired by Sundstrand Corporation, Jan. 8, 1991.)

Suite 900, 111 Second Avenue N.E.
P.O. Box 12169
St. Petersburg, Florida 33733-2169
(813) 823-4444
FAX: (813) 821-9127

Officers: Richard E. Schmidt, chairman & president; W. Barry Gilbert, v.p.; Stephen G. Matthews, v.p.; Douglas J. Bingler, v.p.; Jean-Claude Degremont, v.p.-international; John M. McNamara, v.p.-finance & secretary; Darrell N. Clark, v.p.-human resources; Eileen L. Cole, asst. secretary; J. Ronald Moore, v.p. & controller; Luis E. Leon, treasurer.

Directors: Dan L. McGurk, Edmund H. Damon, Raymond L. Jewett, John P. Horgan*, John T. Subak*, Robert F. Murphy, Albert R. Snider, Richard E. Schmidt*, Jean-Claude Degremont.

* Member of the Executive Committee

Areas of Work: Manufactures and markets instruments and systems for metering, analyzing and controlling liquids and gases.

Divisions and Subsidiaries:

Analytical Instruments Group
High performance liquid chromatography components and systems, mass spectrometers, spectrophotomers, laser light scattering instruments, image and color analyzers, diffraction gratings.

Analytical Products
Rochester, New York

Process and Environmental Instruments Division
Orange, California

Milton Roy K.K.
Tokyo, Japan

Milton Roy (Belgium) N.V.
Oostende, Belgium

Milton Roy (Hong Kong) Ltd
Quarry Bay, Hong Kong

Fluid Control Group
Controlled volume pumps; water quality systems; engineered chemical feed systems; special purpose centrifugal pumps, electronic actuators.

Hartell Division
Ivyland, Pennsylvania

Flow Control Division
Ivyland, Pennsylvania

Milton Roy Industries, Inc.
Peterborough, Ontario, Canada

Dosapro-Milton Roy S.A.
Pont-Saint-Pierre, France

Dosapro-Milton Roy Iberica S.A.
Madrid, Spain

Dosapro-Milton Roy S.P.A.
Milan, Italy

Dosapro-Milton Roy GmbH.,
Obertshausen, West Germany

Dosapro-Milton Roy (UK) Ltd
Wokingham, England

LMI Milton Roy
Shannon, Ireland

Liquid Metronics Incorporated
Acton, Massachusetts
Manufactures low pressure/low flow rate metering pumps

Acquisitions:

Automated Custom Systems Incorporated
Orange, California
Engaged in the production and distribution of automotive emissions testing equipment and analytical instrumentation used for environmental monitoring

Environmental Testing Company of Aurora
Aurora, Colorado

Transfer Agent(s):

Mellon Bank (East) N A
Stock Transfer Division
P O Box 444
Pittsburgh, Pennsylvania 15230-0444
(412) 236-8000

Stock Exchange(s): New York

Ticker Symbol: MRC

Number of Employees:

1989	1,029	1986	1,433
1988	1,250	1985	1,526
1987	1,261		

Plant Footage:

1989	543,500 sq ft	1987	545,211
1988	557,997		

Sales & Earnings

	Net Sales	Net Income
1989	$ 125,398,000	$ 8,634,000
1988	140,715,000	5,686,000
1987	126,804,000	4,303,000
1986	126,909,000	(5,440,000)
1985	107,629,000	674,000

	No. of Com Shares	Earn. per Share ≠
1989	5,815,000	$ 1.52
1988	5,612,000	1.06
1987	5,360,000	0.82
1986	5,333,000	—
1985	5,269,000	0.13

(Loss)
≠ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues By Line of Business
(000's)

	1989	1988
Analytical instruments group	$ 33,797	$ 55,223
Fluid control group	91,601	85,492
Total	$ 125,398	$ 140,715

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.46	—	—
1988	0.44	—	—
1987	0.44	—	—
1986	0.44	—	—
1985	0.43	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 52,466,000	$ 9.02
1988	44,947,000	8.01
1987	39,337,000	7.34
1986	33,710,000	6.32
1985	40,194,000	7.63

x Restated

Income Account *

Year ended Dec 31	1989	1988
Net sales	$ 125,398,000	$ 140,715,000
Cost of sales	69,567,000	77,634,000
Expenses		
Market & adm	37,676,000	42,927,000
Res., develop & eng	7,539,000	9,100,000
Gain on sale of prod line	(4,311,000)	—
Interest expense	1,815,000	2,986,000
Other income	(1,278,000)	(978,000)
Income bef taxes	$ 14,390,000	$ 9,046,000
Income taxes	5,756,000	3,360,000
Net Income	$ 8,634,000	$ 5,686,000

* Included in Costs and Expenses. Depreciation and Amortization $4,633,000 in 1989 and $4,954,000 in 1988

Assets

As of Dec 31	1989	1988
Cash & cash equiv	$ 20,815,000	$ 4,118,000
Short-term invest	2,000,000	—
Accnts & notes receiv	28,594,000	30,811,000
*Inventories	19,829,000	25,770,000
Prepaid expenses	808,000	765,000
Deferred inc taxes	763,000	933,000
Current Assets	$ 72,809,000	$ 62,397,000
≠Fixed assets	19,517,000	24,304,000
Project funds	—	603,000
Notes receiv & other assets	3,640,000	3,184,000
Intangibles	3,567,000	3,944,000
Total Assets	$ 99,533,000	$ 94,432,000

Liabilities

	1989	1988
Notes payable	$ 4,227,000	$ 5,452,000
Long-term debt, curr	2,214,000	2,458,000
Accts payable & accruals	23,876,000	22,600,000
Income taxes	2,074,000	3,184,000
Curr Liabilities	$ 32,391,000	$ 33,694,000
Long-term debt	13,623,000	14,219,000
Deferred inc taxes	336,000	372,000
Other liab	717,000	1,200,000
+Common stock	5,815,000	5,612,000
Add paid-in capital	9,950,000	8,129,000
For curr trans	901,000	1,419,000
Retained earnings	35,800,000	29,787,000
Total Liabilities & Shareholders' Equity	$ 99,533,000	$ 94,432,000

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $1 par value

Statistical Summary

	1989	1988
% Income bef Taxes to Sales	11.48	6.43
% Net Income to Sales	6.89	4.04
% Net Income to Equity	16.46	12.65
Sales to Inventories	4.87	5.46
Debt to Equity	0.38	0.49
Working Capital	$ 40,418,000	$ 28,703,000
Current Ratio	2.25	1.85
Shareholders' Equity	$ 52,466,000	$ 44,947,000

Minnesota Mining and Manufacturing Company

3M Center
St. Paul, Minnesota 55144-1000
(612) 733-1110
FAX (612) 733-9973

Officers: Allen F. Jacobsen, chairman of the board & chief executive officer; L. D. DeSimone, exec. v.p.-Information & Imaging Technologies Sector; M. J. Monteiro, exec. v.p.-international operations; Jerry E. Robertson, exec. v.p.-Life Sciences Sector; Harry A. Hammerly, exec. v.p.-Industrial & Electronic Sector; L. James Schoenwetter, controller; Charlton Dietz, sr. v.p.-legal affairs & general counsel; Ronald A. Mitsch, sr. v.p.-research & development; Christopher J. Wheeler, sr. v.p.-human resources; James J. Stronge, v.p.-Automotive Systems Group; Russell J. McNaughton, v.p.-Electro Products Group; Douglas R. Hanson, v.p.-Asia-Pacific-Canada; George L. Hegg, v.p.-Strategic Planning Services; Carl A. Kuhrmeyer, v.p.-administration; Sidney M. Leahy, v.p.-Chemicals, Film & Allied Products Group; J. Marc Adam, v.p.-Consumer Products Group; Harry C. Andrews, v.p.-Information Systems Group; Lawrence E. Eaton, v.p.-Memory Technologies Group; Ronald O. Baukol, v.p.- Medical Products Group; Gerald D. Pint, v.p.-Telecom Systems Group; John T. Myser, group v.p.-Commercial Markets Group; Donn R. Osmon, group v.p.-Traffic & Personal Safety Products Group; Robert J. Herschock, v.p.-Abrasive Technologies Group; Arthur E. Higinbotham, v.p.-Tape Group; Charles E. Kiester, v.p.-Engineering Quality & Mfg. Services; W. George Meredith, v.p.-Pharmaceutical & Dental Products Group; Joseph M. Warren, v.p.-Europe; M. George Allen, v.p.-Imaging Systems Group; Arlo D. Levi, v.p. & secretary; JoAnn J. Bohne, asst. secretary; Walter N. Kirn, asst. secretary; Roger P. Smith, asst. secretary; Stephen J. Rowley, asst. secretary; Dwight A. Peterson, treasurer.

Directors: Allen F. Jacobson, Charlton Dietz*, Lewis W. Lehr, Aulana L. Peters, Allen E. Murray, John G. Ordway, Jr., Norma T. Pace, Peter G. Peterson, J. Alexander McMahon, Edward A. Brennan, L. D. DeSimone*, M. J. Monteiro*, F. Alan Smith, Rozanne L. Ridgway.

* Member of the Executive Committee

Areas of Work: The Company's operations are organized into four sectors: Industrial and Electronic; Information and Imaging Technologies; Life Sciences; and Commerical and Consumer.

Operating Units:

INDUSTRIAL AND ELECTRONIC

Principal products include pressure-sensitive tapes; coated abrasives; low-density abrasives; adhesives, coatings and sealants; fluorochemicals; specialty films and chemicals; roofing granules; fastening systems; floor pads; floor maintenance products; non-slip surfacing materials; advanced ceramic materials; energy control products; decorative marking films; tape dispensing/application equipment; electric/electronic connectors; wiring and cabling products; insulating and conductive materials; flame-retardant materials; shielding and protective products; test and measuring products; and fiber-optic products and systems.
Chemicals, Film and Allied Products Group
Electro-Telecommunications Group
Tape and Automotive Group
Abrasives, Cleaning Products and Industrial Minerals Group

INFORMATION AND IMAGING TECHNOLOGIES

Principal products include lithographic plates and films; color proofing systems; photographic films; x-ray films and screens; overhead projection systems; graphic film materials; digital image processing systems; micrographic products; audio, video and computer tapes; diskettes and data cartridges; dry silver films; and laser-based optical media.
Imaging Systems Group
Memory Technologies Group
Audio Visual and Commercial Graphics Group
Information Systems Group

LIFE SCIENCES

Principal products include disposable diaper closures; garment insulation and specialty fabrics; respiratory protection products; traffic control materials and systems; surveillance and monitoring devices; security films; filtration systems; optical components; pharmaceuticals; surgical

drapes and masks; tapes and dressings; wound closures; vision care products; casting materials; powered surgical instruments; dental materials; orthodontic products; electrodes; heart-lung machines; oxygenators; intravenous infusion systems; drug-delivery components; infection control products; electronic pain control devices; animal care products; diagnostic products; health information systems; surgical prepping solutions; skin and internal staplers; and stethoscopes
Traffic and Personal Safety Products Group
Medical Products Group
Pharmaceutical and Dental Products Group

COMMERCIAL AND CONSUMER

Principal products include household cleaning devices; chemical cleaners and protectors; window insulating systems; caulks; pressure-sensitive tapes; repositionable paper products; carbonless papers; coated abrasives; personal care products; outdoor advertising; print media advertising; shopping mall directories; computer software for publishers; and music/messaging systems
Commercial Markets Group
Consumer Products Group
Advertising Services Group

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
(common stock)
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075

First Trust National Association
(notes & debentures)
P.O. Box 64111
St. Paul, Minnesota 55164

Morgan Guaranty Trust Company of New York
(notes & debentures)
30 West Broadway
New York, New York 10007

Manufacturers Hanover Trust Company
(notes and debentures)
40 Wall Street
New York, New York 10005-1302

Citibank, N.A.
120 Wall Street
New York, New York 10043

Stock Exchange(s): New York, Pacific, Midwest, Paris, Amsterdam, Switzerland, Germany, Tokyo

Ticker Symbol: MMM

Number of Employees:

1990	89,601	1987	82,405
1989	87,584	1986	81,847
1988	82,818		

Sales & Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1990	$ 13,021,000	$ 1,308,000
1989	11,990,000	1,244,000
1988	11,323,000	1,154,000
1987	10,004,000	918,000
1986	9,056,000	779,000

	No. of Com. Shares	Earn. per Share #
1990	219,833,403	$ 5.91
1989	222,663,756	5.60
1988	224,332,865	5.09
1987	227,492,769	4.02
1986	228,532,762	3.40

‡ Includes other operating revenues.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Industrial & electronic	$ 4,611,000	$ 4,217,000
Information & imaging technologies	3,582,000	3,411,000
Life sciences	2,873,000	2,541,000
Commercial & consumer	1,916,000	1,781,000
Eliminations	39,000	40,000
Total	$ 13,021,000	$ 11,990,000

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1990	$ 2.92	—	—
1989	2.60	—	—
1988	2.12	—	—
1987	1.86	—	2-for-1
1986	1.80	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1990	$ 6,110,000	$ 27.79
1989	5,378,000	24.15
1988	5,514,000	24.58
1987	5,060,000	22.24
1986	4,463,000	19.53

Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1991	1989
Net sales	$ 13,021,000	$ 11,990,000
Cost of sales	7,656,000	6,946,000
Expenses	3,174,000	2,894,000
Interest expense	98,000	98,000
Other income	(42,000)	(47,000)
Income before taxes	$ 2,135,000	$ 2,099,000
Income taxes	798,000	825,000
Minority interest	29,000	30,000
Net Income	$ 1,308,000	$ 1,244,000

* Included in Costs and Expepses, Depreciation and Amortization: $849,000,000 in 1990 and $761,000,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 294,000	$ 413,000
Other securities	297,000	139,000
Accts. receiv., net	2,367,000	2,075,000
*Inventories	2,355,000	2,120,000
Other curr. assets	416,000	349,000
Current Assets	$ 5,729,000	$ 5,296,000
Investments	471,000	342,000
#Fixed assets	4,389,000	3,707,000
Other assets	490,000	396,000
Total Assets	$ 11,079,000	$ 9,741,000

Liabilities
(000's)

Short-term debt	$ 736,000	$ 455,000
Accts. payable	811,000	689,000
Accrued payroll	377,000	332,000
Income taxes	342,000	305,000
Other curr. liab.	1,073,000	905,000
Curr. Liabilities	$ 3,339,000	$ 2,686,000
Long-term debt	760,000	885,000
Deferred inc. taxes	160,000	200,000
Other liabilities	710,000	592,000
+Common stock	296,000	296,000
Retained earnings	7,106,000	6,492,000
Treasury stock	(937,000)	(710,000)
Cum. translation adjust.	175,000	(152,000)
ESOP unearned compen.	(530,000)	(548,000)
Total Liabilities & Shareholders' Equity	$ 11,079,000	$ 9,776,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	16.40	17.51
% Net Income to Sales	10.05	10.38
% Net Income to Equity	21.41	23.13
Sales to Inventories	5.53	5.66
Debt to Equity	0.24	0.25
Working Capital	$ 2,390,000,000	$ 2,610,000,000
Current Ratio	1.72	1.97
Shareholders' Equity	$ 6,110,000,000	$ 5,378,000,000

Missouri Research Laboratories, Inc.

3800 West Clay Street
St. Charles, Missouri 63301
(314) 946-6900
FAX: (314) 946-2860

Officers: Walter Funk, Jr., chairman; William C. Cottle, president & chief executive officer; Lawrence C. Grazevich, vice chairman; Stephen J. Strubel, v.p.-finance; Alan G. Johnson, secretary.

Directors: Walter Funk, Jr., chairman; William C. Cottle, Robert J. Forthofer, Everett Gray, Lawrence C. Grazevich, John H. Pahlmann, William W. Halliday, Alan G. Johnson.

Areas of Work: The company manufactures products and supplies services in the following areas: electronics, metal fabrication, and utility products.

Divisions and Subsidiaries:

Electronics Group
Piggott, Arkansas
Manufactures high quality printed circuit boards and a wide variety of electronic assemblies.

Hesco
Centralia, Illinois
Manufactures and sells a line of mobile power equipment containing electrical generating capacity and other support equipment used by underground utility system construction and maintenance crews and also manufactures asphalt paving equipment.

Metal Fabrication Group
St. Charles, Mississippi
Performs general job shop fabrication services involving machining, welding, and sheetmetal forming operations.

Metal Fabrication Group
Piggott, Alaska
Manufactures asphalt pavers.

Transfer Agent(s):

AmeriTrust Company
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MRES (NASDAQ)

Number of Employees:

1990	175	1987	222
1989	265	1986	356
1988	N.A.		

N.A. - Not Available

Sales & Earnings

	Net Sales +	Net Income †
1991	$ 18,174,000	$ (1,473,000)
1990	17,057,000	(2,430,000)
1989	16,152,000	65,000
1988	14,310,000	(318,000)
1987	15,652,000	127,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1991	2,271,000	$ —
1990	3,281,000	—
1989	2,282,000	0.03
1988	2,142,000	—
1987	2,180,000	0.06

(Loss)

+ Of continuing operations only.

† Including extraordinary gain of $26,000 ($0.01 per share) in 1989.

‡ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1991	1990
Metal fabrication	$ 3,636,000	$ 3,676,000
Utility products	8,985,000	6,057,000
Electronics	5,553,000	7,324,000
Total	$ 18,174,000	$ 17,057,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ —	—	—
1990	0.03	—	—
1989	0.07	—	—
1988	0.07	—	—
1987	0.07	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1991	$ 379,000	$ 0.17
1990	1,800,000	0.79
1989	4,142,000	1.82
1988	4,280,000	2.00
1987	4,861,000	2.25

+ Based on the weighted average number of common shares outstanding.

Income Account*
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 18,174	$ 17,057
Cost of sales	15,893	16,089
Expenses	3,250	2,974
Loss (gain) on sale of assets	58	(80)
Interest expense	491	526
Interest income	(8)	(2)
Other income	(37)	(20)
Net Loss	$ (1,473)	$ (2,430)

* Included in Costs and Expenses, Depreciation and Amortization: $578,000 in 1991 and $663,000 in 1990.

Assets
(000's)

As of Jan. 31	1991	1990
Cash & cash equiv.	$ 380	$ 164
Accts. receiv., net	2,342	2,255
*Inventories	2,379	3,277
Prepaid expenses	111	136
Current Assets	$ 5,212	$ 5,832
#Fixed assets	2,190	2,619
Other assets	44	162
Total Assets	$ 7,446	$ 8,613

Liabilities
(000's)

	1991	1990
Notes payable & long-term debt, curr.	$ 1,605	$ 884
Cap. lease oblig., curr.	421	1,025
Accts. payable	1,516	1,410
Accrued payroll	327	562
Other accruals	513	214
Guarantee of officers' loans	150	172
Curr. Liabilities	$ 4,532	$ 4,267
Long-term debt	2,535	2,546
+Common stock	263	233
Add. paid-in capital	1,338	1,338
Retained earnings (deficit)	(925)	548
Treasury stock issued to officers as collateral	(150)	(172)
Treasury stock	(147)	(147)
Total Liabilities & Shareholders' Equity	$ 7,446	$ 8,613

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $0.10 par value.

Statistical Summary

Sales to Inventories	7.64	5.21
Debt to Equity	12.03	2.48
Working Capital	$ 680,000	$ 1,531,000
Current Ratio	1.15	1.36
Shareholders' Equity	$ 379,000	$ 1,800,000

Mitsubishi Electric Corporation

Mitsubishi Denki Building
2-3, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100, Japan
(03) 218-2111

Officers: Nihachiro Katayama, chairman; Moriya Shiki, president; Yasuo Endo, exec. v.p.; Hisao Oka, exec. v.p.; Hideo Moril, exec. v.p.; Takashi Kai, sr. managing director; Kokichi Sonda, sr. managing director; Junsuke Amano, sr. managing director; Akimi Kamiya, managing director; Kazuo Wakasugi, managing director; Tsuyoshi Hirata, managing director; Sozaburo Ihara, managing director; Takashi Kitaoka, managing director; Keijiro Shoji, managing director; Hajime Okamoto, managing director; Tadao Amakasu, managing director; Yohei Mimura, director; Tetsuo Tabuchi, director; Toshio Ito, director; Kenzo Shimoyama, director; Tadahiko Hara, director; Shinzaburo Amano, director; Yuko Shinryo, director; Kazuya Nagasawa, director; Gai Kobayashi, director; Eiichi Ono, director; Makoto Nariyoshi, director; Yoshito Yamaguchi, director.

Areas of Work: Communication and Information Processing products include mobile telephone systems and equipment, information network systems and equipment; radar and guidance systems; computers; peripherals, including flexible- and hard-disk drives, printers, and CRT display monitors; terminals, including POS systems and facsimile transceivers; and Diamond Vision and Diamond Vision Mark II.

Electronic Devices include ICs, LSIs, and VLSIs; power semiconductor devices; optical semiconductor devices; transistors and diodes.

Consumer Products include color and projection TVs, VCRs, radios, tape recorders, stereo sets, amplifiers, turntables, speaker systems, and CD players; room and central air conditioners, clean heaters, fan heaters, ventilators, and electric fans; refrigerators, microwave ovens, rice cookers, tabletop grills, toasters, juicers, and blenders; washing machines, clothes dryers, water heaters, bedding air-dryers, electric irons, vacuum cleaners, and centralized vacuum-cleaning systems; electric shavers, hair dryers, and other personal-care electric aids, and dry-cell batteries; fluorescent and mercury-vapor lamps and luminaires.

Space Development products include satellite-communication systems and equipment; and satellite spacecraft and attitude-control systems. Energy products include generators -- steam-turbine, hydroturbine, diesel, motor, high-frequency, AC, and DC types; nuclear-power equipment; and substations -- transformers, rectifiers, circuit breakers, gas-insulated substations, switchgear, surge arresters, control centers, controllers, uninterruptible power supplies, blowers, modular- and mobile-type substations, and other static machines.

Building Equipment and Systems include elevators, escalators, moving walks, building automation systems, service modules for buildings, and air-conditioning, refrigeration and freezing equipment.

Transportation products include electric-propulsion equipment -- traction motors, main drive gears, traction-control gears, main transformers, rectifiers, main alternators, and VVVF inverters; electric locomotives; rail-system auxiliary electrical equipment, automatic train-control equipment; train air-conditioning equipment; and electrical automotive equipment.

Industrial Equipment includes motors -- small and medium-sized, standard AC and DC, specialized, geared, and submersible types; magnetic contactors and starters, programmable controllers, inverters, electromagnetic clutches and brakes; molded-case circuit breakers, air and vacuum circuit breakers, watthour meters, industrial time switches, electric meters, instrument transformers, and distribution transformers; welding equipment, electrical-discharge machines, laser processing machines, NC equipment, and industrial robots; specialized alloys, ferrite products, life preservers, rafts and boats, and spiral escape chutes; industrial blowers and fans, hoists, pumps, and industrial sewing machines; palm-recognition systems, Linacs, and water-quality monitoring systems; and digital-audio recorders.

Subsidiaries (Japan):

Ryoden Service Co., Ltd.
Ryoden Kasei Co., Ltd.
Ryoden Unyu Co., Ltd.
Mitsubishi Electric Service Engineering Co., Ltd.
Ryoden Estate Co., Ltd.
The Kodensha Co., Ltd.
SPC Electronics Corporation
Toyo Electric Co., Ltd.
Nakayama Kikai Co., Ltd.
Tada Electric Co., Ltd.
Shiga Bolt Co., Ltd.
Melcom Business-Machines Co., Ltd.
Ryowa Shoko Co., Ltd.
Ryoden Engineering Co., Ltd.
Ad. Melco Co., Ltd.
Mitsubishi Space Software Co., Ltd.
Ryoden Elevator Construction Co., Ltd.
Ryoreisha Co., Ltd.
Mitsubishi Electric Home Appliance Co., Ltd.
Mitsubishi Electric Co., Ltd.

Subsidiaries (U.S.A.):

Mitsubishi Electric America, Inc.
645 Fifth Avenue, Suite 505
New York, New York 10022
(212) 223-2250

Mitsubishi Electric Sales America, Inc.
5757 Plaza Drive
P.O. Box 6007
Cypress, California 90630-0007
(714) 220-2500

Mitsubishi Electronics America, Inc.
991 Knox Street
Torrance, California 90502
(213) 515-3993

Mitsubishi Consumer Electronics America, Inc.
2001 E. Carnegie Avenue
Santa Ana, California 92705
(714) 261-3200

Mitsubishi Semiconductor America, Inc
Three Diamond Lane
Durham, North Carolina 27704
(919) 479-3333

Horizon Research, Inc
1432 Main Street
Waltham, Massachusetts 02154
(617) 466-8300

Mitsubishi Electric Manufacturing Cincinnati, Inc
4773 Bethany Road
Mason, Ohio 45040
(513) 398-2220

Joint Ventures (U.S.A.):

Diamond Vision, Inc
430 Park Avenue, 17th Floor
New York, New York 10022
(212) 644-5760

Astronet Corporation
400 Rinehart Road
Lake Mary, Florida 32746
(305) 849-4903

WM Power Products Inc
Five Foster Plaza
651 Holiday Drive
Pittsburgh, Pennsylvania 15220
(412) 928-2570

Powerex, Inc
Hills Street
Youngwood, Pennsylvania 15697
(412) 925-4400

Stock Exchange(s): Tokyo, Osaka, Nagoya, Sapporo, Niigata, Kyoto, Horoshima, and Fukuoka, Japan; Amsterdam, Frankfurt, London, Paris

Number of Employees:

1990	89,113	1987	73,536
1989	85,723	1986	71,479
1988	75,795		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1990	¥ 2,976,420	¥ 76,796
1989	2,716,818	53,236
1988	2,368,279	22,213
1987	2,107,505	10,598
1986	2,109,483	30,047

	No. of Com. Shares	Earn. per Share ‡
1990	2,135,724,579	¥ 24.72
1989	2,123,489,479	24.68
1988	2,023,225,810	10.77
1987	1,929,122,492	5.49
1986	1,798,727,341	13.67

¥ - Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 8.47	—	—
1989	6.82	—	—
1988	5.80	—	—
1987	6.65	—	—
1986	7.58	—	—

Common Stock Equity

	Total Equity (millions)	Equity Per Share
1990	¥ 730,131	¥ 341.87
1989	638,999	300.92
1988	551,599	285.93
1987	506,502	262.56
1986	463,449	257.65

Income Account *
(millions)

Year ended Mar. 31	1990	1989
Net sales	¥ 2,976,420	¥ 2,716,818
Other income	77,930	58,113
Total income	¥ 3,054,350	¥ 2,774,931
Cost of sales	2,112,504	2,002,269
Expenses		
Res. & develop	145,076	118,507
Sell., gen., & adm	491,343	439,127
Interest expense	56,660	44,012
Other expense	68,295	42,066
Income before taxes	¥ 180,472	¥ 128,950
Income taxes	108,089	79,438
Eq. in inc. of affil. cos	(4,413)	(3,724)
Net Income	¥ 76,796	¥ 53,236

* Included in Costs and Expenses, Depreciation: ¥ 181,578,000,000 in 1990 and ¥ 176,019,000,000 in 1989

Assets
(millions)

As of Mar. 31	1990	1989
Cash & cash equiv	¥ 649,249	¥ 479,376
Short-term invest	131,237	126,281
Accts. receiv., net	715,763	658,279
*Inventories	513,199	427,791
Prepaid expenses	183,721	166,572
Current Assets	¥ 2,193,169	¥ 1,858,299
Long-term receiv	45,123	43,208
Investments	259,457	192,041
≠Fixed assets	555,846	519,387
Other assets	119,823	92,992
Total Assets	¥ 3,173,418	¥ 2,705,927

Liabilities
(millions)

	1990	1989
Bank loans	¥ 475,122	¥ 470,103
Long-term debt, curr	51,225	30,640
Accts. payable	658,223	668,534
Emp. sav. deposits	68,933	67,717
Accrued inc. taxes	77,300	83,343
Other accruals	223,626	202,924
Other current liabilities	99,984	105,296
Curr. Liabilities	¥ 1,654,413	¥ 1,628,557
Long-term debt	581,555	270,815
Retirement benefits	162,358	142,351
Other liabilities	28,180	12,318
Minority interest	16,781	12,887
+Common stock	172,984	170,285
Add. paid-in capital	199,552	172,838
Legal reserve	26,154	24,165
Retained earnings	332,501	275,779
For. curr. trans	(1,060)	(4,068)
Total Liabilities & Shareholders' Equity	¥ 3,173,418	¥ 2,705,927

* At lower of cost or estimated realizable value. Cost is determined by accumulated production costs for contract items and by average production cost for regular production items.
≠ Less accumulated depreciation
+ ¥ 50 par value

Statistical Summary

% Income bef. Taxes to Sales	6.06	4.75
% Net Income to Sales	2.58	1.96
% Net Income to Equity	10.52	8.33
Sales to Inventories	5.80	6.35
Debt to Equity	1.52	1.21
Working Capital (000's)	¥ 538,756,000	¥ 229,742,000
Current Ratio	1.33	1.14
Shareholders' Equity (000's)	¥ 730,131,000	¥ 638,999,000

Modern Controls, Inc.

7500 Boone Avenue North
Minneapolis, Minnesota 55428
(612) 493-6370
FAX: (612) 493-6358

Officers: William N. Mayer, chairman, president & chief executive officer; Robert L. Demorest, exec. v.p.-sales & marketing and secretary; Ronald A. Meyer, v.p.-finance & administration, treasurer & asst. secretary; Daniel W. Mayer, v.p.-product development; Patrick J. Buhl, v.p.-manufacturing.

Directors: William N. Mayer, chairman; Dean B. Chenoweth, J. Leonard Frame, Howard L. Demorest, Wallace W. Lindemann, Paul L. Sjoquist.

Areas of Work: Manufactures and markets precision instruments used for quality control, production control, and testing purposes, primarily in the food, pharmaceutical, chemical, and packaging industries. Also manufactures and markets high-speed capsule sorting and weighing systems for the pharmaceutical industry.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
South St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MOCO (NASDAQ)

Number of Employees:

1990	71	1987	54
1989	70	1986	48
1988	60		

Plant Footage:

1990	30,000 sq. ft.	1987	23,500
1989	23,500	1986	21,600
1988	23,500		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 11,522,475	$ 2,451,174
1989	9,798,393	2,137,078
1988	8,551,455	1,675,732
1987	7,129,718	1,304,057
1986	5,875,863	818,576

	No. of Cmn. Shares ‡	Earn. per Share ‡
1990	3,224,491	$ 0.76
1989	3,250,914	0.66
1988	3,198,608	0.52
1987	3,207,447	0.41
1986	3,234,129	0.25

+ Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend *	Stock Dividend	Stock Split
1990	$ 0.16	—	3-for-2
1989	0.13	—	—
1988	0.13	—	—
1987	0.07	—	—
1986	0.07	—	—

* Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 10,660,342	$ 3.31
1989	9,123,154	2.81
1988	7,587,490	2.37
1987	6,320,614	1.97
1986	5,472,127	1.69

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 11,522,475	$ 9,798,393
Cost of sales	3,952,912	3,338,699
Sell., gen., & adm. expenses	3,682,449	3,122,915
Res. & develop. expenses	824,071	728,379
Interest income	(568,131)	(558,057)
Interest expense	—	1,475
Other income	—	(1,096)
Income before taxes	$ 3,631,174	$ 3,166,078
Income taxes	1,180,000	1,029,000
Net Income	$ 2,451,174	$ 2,137,078

* Included in Costs and Expenses, Depreciation and Amortization: $152,534 in 1990 and $138,465 in 1989.

Assets

As of Dec. 21	1990	1989
Cash & temp. cash invest.	$ 1,769,003	$ 1,046,756
Marketable securities	6,212,310	6,076,453
Accts. receiv., net	1,603,884	1,425,718
*Inventories	1,606,507	1,178,527
Prepaid expenses	98,820	86,707
Deferred income taxes	165,200	87,000
Current Assets	$ 11,455,724	$ 9,901,156
≠Fixed assets	514,005	362,379
Other assets	187,881	167,979
Total Assets	$ 12,157,610	$ 10,431,514

Liabilities

	1990	1989
Accts. payable	$ 497,950	$ 464,277
Accrued compensation	347,530	315,776
Other accruals	194,599	158,335
Warranty costs	100,000	95,000
Income taxes	220,751	152,372
Dividends payable	125,338	105,500
Curr. Liabilities	$ 1,486,168	$ 1,291,260
Def. inc. taxes	11,100	17,100
+Common stock	313,357	315,910
Add. paid-in capital	2,087,085	2,498,325
Retained earnings	8,259,900	6,308,919
Total Liabilities & Shareholders' Equity	$ 12,157,610	$ 10,431,514

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	31.51	32.31
% Net Income to Sales	21.27	21.81
% Net Income to Equity	22.99	23.42
Sales to Inventories	7.17	8.31
Working Capital	$ 9,969,556	$ 8,609,896
Current Ratio	7.71	7.67
Shareholders' Equity	$ 10,660,342	$ 9,123,154

Molex Incorporated

2222 Wellington Court
Lisle, Illinois 60532
(708) 969-4550
FAX: (708) 964-2321

Officers: John H. Krehbiel, chairman; John H. Krehbiel, Jr., president; Frederick A. Krehbiel, vice chairman & chief exec. officer; Ronald L. Schubel, v.p.; Ronald Canaday, v.p.; John C. Psaltis, v.p. & treasurer; Louis A. Hecht, corp. secretary & general counsel; J. Joseph King, group v.p.; Werner W. Fichtner, v.p.; Raymond C. Wieser, group v.p.; Martin P. Slark, v.p.; Goro Tokuyama, v.p.

Directors: John H. Krehbiel, chairman; John H. Krehbiel, Jr., Frederick A. Krehbiel, Lewis E. Platt, Robert J. Potter, Robert H. Hayes, Edgar D. Jannotta.

Areas of Work: Engaged in the production and sale of connectors, conductor cable, terminals, interconnection systems, switches and associated application equipment for electrical and electronic products. Also involved in the extrusion of plastics, the laminating of multi-conductor cable, the further processing (notching, slitting, cutting) of such cable and fabricating these into cable connector assemblies.

Divisions and Subsidiaries:

Molex US Inc.
Molex Caribe Inc.
Molex Industrial Interfaces Inc.
Molex-ETC Inc.
ETC Leasing Inc.
Molex S.A. de C.V.
Molex International, Inc.
Ulti-Mate Inc. (85.0% owned)
Molex Overseas Inc. dba Molex Espana
Ivec Inc. (25.0% owned)
Molex Electronica Ltda.
Molex da Amazonia Ltda.
Molex Electronics Ltd.
Molex France S.A.R.L.
Molex Eastern Europe S.A. (85.0% owned)
Molex Elektronik GmbH
Molex Services GmbH
Molex Hong Kong Ltd.
Molex-Nanco Ltd.
Welgrow Development Ltd.
Jalex Connector Systems Ltd. (40.0% owned)
Molex Italia S.p.A.
Molex Electronica S.R.L.
Zetronic S.p.A. (49.0% owned)
Molex-Japan Co., Ltd.
Molex (Malaysia) Snd. Bhd.
Pan International Wire & Cable Snd. Bhd. (40.0% owned)
Molex de Mexico S.A. de C.V.
Molex (Benelux) B.V.
Molex Norge A/S (90.0% owned)
Molex Far East-South Management Pte. Ltd.
Molex Singapore Pte. Ltd. (70.0% owned)
Hi-P Tool & Die Pte. Ltd. (35.0% owned)
Two-Color Molding Pte. Ltd. (65.0% owned)
Flexible Automation Systems Pte. Ltd. (65.0% owned)
Davidson Carbide Tooling Pte. Ltd. (40.0% owned)
Technor (pty.) Ltd. (87.0% owned)
Molex Korea Co., Ltd.
Hyun Dai Terminal Co., Ltd. (65.0% owned)
Suminstro Iberico de Conexiones S.A. (25.0% owned)
Molex Svenska A.B.
Molex Illinois S.A.
Smithstown Lt. Eng. Ltd. (50.0% owned)
Molex Ireland Ltd.
Molex Taiwan Ltd. (85.0% owned)
Molex (Thailand) Ltd. (85.0% owned)
Molex European Management Ltd.
Molex Electronics Ltd.
Molex Ltd.
Beta Phase, Inc. (19.4% owned)
Molex Fiber Optic Interconnect Technologies, Inc. (80.0% owned)
Molex Alin International, Incorporated (50.0% owned)
Molex-Alin, Inc. (50.0% owned)

Transfer Agent(s):

Harris Trust and Savings Bank of Chicago
311 W. Monroe Street, 11th Floor
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter, Paris, London.

Ticker Symbol: MOLX (NASDAQ)

Number of Employees:

1990	6,722	1987	4,962
1989	6,271	1986	4,403
1988	5,900		

Plant Footage:

1990	2,383,000 sq. ft.	1987	1,857,000
1989	2,291,000	1986	1,691,000
1988	1,921,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 594,372,294	$ 62,086,716
1989	571,891,959	57,698,394
1988	502,368,072	59,276,278
1987	386,758,534	43,416,034
1986	291,912,549	32,039,408

	No. of Com. Shares ‡	Earn per Share ‡
1990	50,020,000	$ 1.24
1989	50,622,000	1.14
1988	50,714,000	1.17
1987	50,566,000	0.86
1986	50,372,000	0.64

‡ Based on the average number of common shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.02	—	2-for-1
1989	0.02	—	—
1988	0.02	—	—
1987	0.02	25%	—
1986	0.01	—	—

‡ Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1990	$ 481,280,996	$ 9.62
1989	428,788,189	8.47
1988	389,688,103 +	7.68
1987	315,755,092 +	6.24
1986	254,562,901 +	5.05

+ After allowing for preferred stock at par value.
‡ Based on the average number of common shares outstanding adjusted to reflect stock dividend and stock split.

Income Account *

Year ended June 30	1990	1989
Net sales	$ 594,372,294	$ 571,891,959
Cost of sales	337,790,936	314,737,913
Expenses	151,955,264	158,308,130
Other income	(5,415,216)	(5,825,918)
Income before taxes	$ 110,041,310	$ 104,671,834
Income taxes	47,495,000	46,475,000
Minority interest	459,594	498,440
Net Income	$ 62,086,716	$ 57,698,394

* Included in Costs and Expenses, Depreciation and Amortization: $54,411,057 in 1990 and $51,600,784 in 1989.

Assets

As of June 30	1990	1989
Cash	$ 7,810,063	$ 17,292,313
Short-term invest	135,910,488	106,906,332
Accts. recets. net	136,632,440	118,036,258
*Inventories	71,830,796	69,665,721
Prepaid expenses	2,923,613	4,057,116
Current Assets	$ 355,107,400	$ 315,957,740
#Fixed assets	228,968,297	214,373,321
Other assets	22,823,618	10,922,370
Total Assets	$ 606,899,315	$ 541,253,431

Liabilities

Notes payable	$ —	$ 968,319
Long-term debt, curr	1,372,517	747,298
Accts. payable	52,033,393	46,666,686
Accruals	43,036,631	36,305,380
Income taxes	13,257,776	14,377,614
Dividends payable	249,275	204,436
Curr. Liabilities	$ 109,949,592	$ 99,269,733
Long-term debt	8,045,723	5,760,142
Deferred invest. grants	3,827,974	3,454,659
Deferred inc. taxes	1,182,919	1,793,860
Minority interest	2,612,111	2,186,848
+Common stock	1,281,303	1,276,618
+Class A common stock	1,286,016	—
+Class B common stock	4,713	4,713
Add. paid-in captial	28,604,286	27,476,223
Retained earnings	437,596,937	376,359,546
Def. unearned comp.	(4,525,515)	(5,388,006)
Treasury stock	(27,166,859)	(12,863,168)
Cum. trans. adjust	44,200,115	41,922,263
Total Liabilities & Shareholders' Equity	$ 606,899,315	$ 541,253,431

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.05 par value

Statistical Summary

%Income bef. taxes to Sales	18.51	18.30
%Net Income to Sales	10.45	10.09
%Net Income to Equity	12.90	13.46
Sales to Inventories	8.27	8.21
Debt to Equity	0.02	0.02
Working Capital	$ 245,157,808	$ 216,688,007
Current Ratio	3.23	3.18
Shareholders' Equity	$ 481,280,996	$ 428,788,189

Moog Inc.

East Aurora, New York 14052
(716) 652-2000
FAX: (716) 687-4457

Officers: Richard A. Aubrecht, chairman of the board; Robert T. Brady, president & chief executive officer; Robert R. Banta, exec. v.p., chief financial officer & assistant secretary; Jerald D. Bidlack, vice chairman, exec. v.p. & pres.-International Group; Joe C. Green, exec. v.p. & chief administrative officer; Kenneth J. McIlraith, vice chairman; Daniel C. Clark, v.p.; Kenneth D. Garnjost, v.p.-engineering; Robert H. Maskrey, v.p.; Stephen A. Huckvale, v.p.; William J. Thayer, v.p.; Philip H. Hubbell, v.p.; John B. Drenning, secretary; William P. Burke, treasurer.

Directors: Jerald D. Bidlack, Jane B. Moog, Kenneth J. McIlraith, Arthur S. Wolcott, Joe C. Green, Richard A. Aubrecht, Peter P. Poth, Steven B. Sample, Robert T. Brady, William B. Cutting, Director Emeritus.

Areas of Work: Manufactures advanced controls and control systems which utilize high performance servovalves for industrial and aerospace applications.

Divisions:

Industrial Controls Group
Manufactures electrohydraulic controls for the guidance systems of space boosters, missiles, and aircraft. For industrial markets, produces controls for machine tools, computer memory access systems, construction equipment, plastic molding equipment, and other process control systems.

International Controls Division
Identifies and develops markets outside North America for precision control components and systems.

Aerospace Group

Missile Systems Division
Supplier of servovalves for missiles.

Aircraft Controls Division
Manufactures various types of servoactivators, hydromechanical control systems and helicopter products.

Space Products Division
Produces components for propulsion systems to control flight path.

Engine Controls Division

Electronics & Systems Division
Product lines include plastic controls, secure radio controls, custom control systems, specialized electronics assemblies, and electronic motion control products.

Subsidiaries:

Moog AG
Switzerland

Moog Controls Corporation
Ohio

Moog Oy
Finland

Moog Controls Hong Kong Ltd.
Hong Kong

Moog GmbH
Boblingen, West Germany

Moog Japan Ltd. (90% owned)
Hiratsuka, Japan

Moog S.A.R.L.
Rungis, France

Moog Australia Pty. Ltd.
Melbourne, Australia

Moog Controls Limited
Tewkesbury, England

Moog do Brasil Controles Ltda.
Sao Paulo, Brazil

Moog Norden A.B.
Sweden

Moog Korea Ltd.
South Korea

Transfer Agent(s):

Mellon Securities Trust Company
120 Broadway
New York, New York 10006

Stock Exchange(s): American

Ticker Symbol: MOGA and MOGB

Number of Employees:

1990	3,349	1987	3,784
1989	3,288	1986	3,645
1988	3,560		

Sales and Earnings

	Net Sales +	Net Income
1990	$ 303,709,000	$ 6,886,000
1989	282,280,000	4,881,000
1988	296,889,000	(14,883,000)
1987	307,069,000	11,831,000
1986	268,404,000	10,193,000

	No. of Com. Shares #	Earn per Share #
1990	7,977,246	$ 0.86
1989	7,959,047	0.61
1988	8,364,000	—
1987	8,908,000	1.33
1986	8,842,000	1.15

(Loss)
+ Of continuing operations only.
# Based on the average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Domestic:		
Government	$ 167,230,000	$ 161,714,000
Commercial	38,395,000	36,827,000
International:		
Government	13,770,000	15,964,000
Commercial	84,314,000	67,775,000
Total	$ 303,709,000	$ 282,280,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	0.48	—	—
1987	0.48	—	—
1986	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 92,845,000 #	$ 11.65
1989	84,195,000 #	10.58
1988	79,400,000	9.99
1987	111,276,000	12.44
1986	98,759,000	11.13

After allowing for preferred stock at par value.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 303,709,000	$ 282,280,000
Other income	3,671,000	6,393,000
Total income	$ 307,380,000	$ 288,673,000
Cost of sales	219,038,000	207,928,000
Expenses	58,153,000	54,598,000
Interest expense	14,812,000	15,064,000
For. curr. exch. loss	1,068,000	858,000
Other expense	1,067,000	1,910,000
Income before taxes	$ 13,242,000	$ 8,315,000
Income taxes	6,356,000	3,434,000
Net Income	$ 6,886,000	$ 4,881,000

* Included in Costs and Expenses, Depreciation and Amortization: $17,634,000 in 1990 and $16,925,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	$ 6,909,000	$ 9,658,000
Receivables, net	118,762,000	106,532,000
*Inventories	72,541,000	61,403,000
Deferred inc. taxes	2,582,000	1,616,000
Prepaid expenses	1,888,000	2,266,000
Other curr. assets	—	400,000
Current Assets	$ 202,682,000	$ 181,875,000
#Fixed assets	110,604,000	105,622,000
Other assets	8,162,000	5,271,000
Total Assets	$ 321,448,000	$ 292,768,000

Liabilities

	1990	1989
Notes payable	$ 21,044,000	$ 25,235,000
Long-term debt, curr.	16,010,000	8,844,000
Accts. payable	17,834,000	15,249,000
Accrued payroll	18,334,000	15,625,000
Contract loss reserves	7,563,000	9,142,000
Other accruals	8,261,000	8,621,000
Income taxes	4,261,000	3,345,000
Customer advances	1,849,000	428,000
Current Liabilities	$ 95,156,000	$ 86,489,000
Long-term debt	90,111,000	85,930,000
Pension obligation	15,378,000	7,190,000
Minority interest	873,000	818,000
Deferred credits	1,084,000	1,257,000
Deferred inc. taxes	2,253,000	1,789,000
Convert. subord. debentures	23,648,000	25,000,000
+ Preferred stock	100,000	100,000
++ Common stock	9,134,000	9,134,000
Add paid-in capital	47,846,000	47,908,000
Retained earnings	48,683,000	41,797,000
Foreign curr. trans.	5,265,000	3,676,000
Treasury stock	(16,291,000)	(16,784,000)
Loan to SSOP	(1,792,000)	(1,936,000)
Total Liabilities & Shareholders' Equity	$ 321,448,000	$ 292,768,000

* At lower of cost (FIFO) or market

# Less accumulated depreciation and amortization

+ $1 par value; 9% cumulative, convertible, exchangeable, Series A

++ $1 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	4.36	2.95
% Net Income to Sales	2.22	1.73
% Net Income to Equity	7.41	5.79
Sales to Inventories	4.19	4.60
Debt to Equity	1.37	1.42
Working Capital	$ 107,526,000	$ 95,386,000
Current Ratio	2.13	2.10
Shareholders' Equity	$ 92,945,000	$ 84,295,000

Moore Products Co.

Sumneytown Pike
Spring House, Pennsylvania 19477
(215) 646-7400
FAX (215) 283-6358

Officers: Edwin G. Rorke, chairman of the board; William B. Moore, president & chief executive officer; Edward J. Curry, exec. v.p.; Robert B. Adams, v.p.-engineering; George W. Tall, v.p.-sales; Hugh S. Wilson, v.p.-int'l operations; William J. Young, secretary

Directors: Thomas C. Moore, Edwin G. Rorke*, Charles H. Welles, III, Ralph H. Owens, William J. Young*, James O. Moore, William B. Moore*, Edward J. Curry*, George W. Tall*, Robert B. Adams*

* Member of the Executive Committee

Areas of Work: Designs, manufactures and markets measurement and control equipment and systems for the process industries, and dimensional measurement and control equipment for the bearing, automotive, and other hard good manufacturers. Researches and manufactures fluidic devices.

Subsidiaries:

Moore Instruments Ltd./Ltee.
Brampton, Ontario, Canada

Moore Products Co. (U.K.) Limited
Yeovil
Somerset, England

Moore Products Co. (France) SARL
Lyon, France

Moore Products Co. B.V.
Breda, The Netherlands

Moore Products Co. (Italia) S.r.l.
Milan, Italy

Moore Products Co. (Australia) Pty. Ltd.
Sydney, Australia

Joint Venture(s):

Moore Products de Mexico S.A. de C.V.
Mexico, D.F., Mexico

Moore Controls Pvt. Limited
Poona, India

Transfer Agent(s):

Mellon Bank
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MORP (NASDAQ)

Number of Employees:

1990	1,287	1988	1,191
1989	1,250	1987	1,134

Plant Footage:

1990	374,000 sq. ft.	1987	374,000
1989	374,000	1986	374,000
1988	374,000		

N.A. – Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 99,460,000	$ 1,616,000
1989	104,429,000	4,732,000
1988	87,738,000	4,290,000
1987	84,242,000	4,825,000
1986	79,769,000	4,710,000

	No. of Com. Shares	Earn. per Share ‡
1990	2,083,092	$ 0.77
1989	2,083,092	2.27
1988	2,083,092	2.06
1987	2,083,092	2.31
1986	2,083,092	2.27

‡ Based on the average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.88	—	—
1989	0.88	—	—
1988	0.88	—	—
1987	0.88	—	—
1986	0.88	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1990	$ 56,047,000	$ 26.91
1989	55,863,000	26.82
1988	53,102,000	25.49
1987	50,460,000	24.22
1986	46,235,000	22.20

‡ After allowing for preferred stock at par value

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 99,460	$ 104,429
Cost of sales	45,739	48,462
Expenses	51,526	49,355
Other income	(1,197)	(1,267)
Income before taxes	$ 3,392	$ 7,879
Income taxes	1,776	3,147
Net Income	$ 1,616	$ 4,732

* Included in Costs and Expenses, Depreciation: $3,506,000 in 1990 and $2,929,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 12,404	$ 9,859
Accts. receiv., net	14,304	17,511
*Inventories	16,815	17,951
Prepaid expenses	3,496	1,787
Current Assets	$ 47,019	$ 47,108
#Fixed assets	19,061	18,096
Total Assets	$ 66,080	$ 65,204

Liabilities
(000's)

	1990	1989
Accounts payable	$ 2,838	$ 2,982
Accrued compensation	1,678	2,348
Adv. from cust.	1,726	917
Curr. Liabilities	$ 6,242	$ 6,247
Long-term debt	1,708	1,428
Def. inc. taxes	1,907	1,490
+Preferred stock	176	176
++Common stock	2,083	2,083
Add. paid-in capital	3,343	3,343
Retained earnings	50,437	50,662
For. curr. trans. adjust.	184	(225)
Total Liabilities & Shareholders' Equity	$ 66,080	$ 65,204

* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO.

# Less accumulated depreciation.

+ $1 par value, 5% cumulative convertible

++ $1 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	3.41	7.54
% Net Income to Sales	1.62	4.53
% Net Income to Equity	2.87	8.44
Sales to Inventories	5.91	5.82
Debt to Equity	0.03	0.03
Working Capital	$ 40,777,000	$ 40,861,000
Current Ratio	7.53	7.54
Shareholders' Equity	$ 56,221,000	$ 56,039,000

Motorola, Inc.

Motorola Center
1303 East Algonquin Road
Schaumburg, Illinois 60196
(708) 576-5000
FAX: (708) 576-3258

Officers: Robert W. Galvin, chairman of the executice committee; George Fisher, chairman & chief executive officer; Christopher B. Galvin, sr. exec. v.p. & asst. chief operating officer; John F. Mitchell, vice chairman; Carl F. Koenemann, sr. v.p. & asst. chief financial officer; A. Peter Lawson, corp. v.p. & asst. general counsel; Garth L. Milne, corp. v.p. & treas.; Benny L. Smothermon, corp. v.p. & director of international finance; Chi-Sun Lai, corp. v.p. & gen. mgr.-Motorola China Ltd.; Elisha Shahmoon, corp. v.p. & managing director-Motorola Israel Limited; Arnold S. Brenner, exec. v.p. & gen. mgr.-Japanese Group; Toshiaki Irie, corp. v.p. & chairman- Nippon Motorola Limited; Richard W. Younts, corp. v.p. & pres.-Nippon Motorola Limited; Gary L. Tooker, president & chief operating officer; Levy Katzir, sr. v.p. & gen. mgr.-New Enterprises; Philip D. Gunderson, corp. v.p., engineering & technology-Motorola Lighting, Inc.; Donald R. Jones, exec. v.p. & chief financial officer; David W. Hickie, sr. v.p. & chief corp. staff officer; Kenneth J. Johnson, corp. v.p. & controller; Victor R. Kopidlansky, corp. v.p. & asst. gen. counsel; Keith J. Bane, sr. v.p. & motorola director-strategy; William B. Dimitro, corp. v.p. & dir.-Career Direction Center; C. Travis Marshall, sr. v.p. & dir.-government relations; Vincent J. Rauner, sr. v.p.-patents, trademarks & licensing; James D. Burge, corp. v.p. & dir.-government affairs, personnel; James Donnelly, exec. v.p. & dir.-personnel; Joseph Miraglia, sr. v.p. & asst. Motorola director of personnel; Arthur P. Sundry, president & general mgr.-Communications Sector & exec. v.p.-Motorola; James A. Norling, pres.& general manager-Semiconductor Products Sector; Carl E. Lindholm, exec. v.p.-International operations; Gerhard Schulmeyer, exec. v.p. & deputy to the chief exec. officer for Europe; David G. Wolfe, sr. v.p. & gen. mgr.-Government Electronics Group; Edward F. Staiano, exec. v.p. & gen. mgr.-General Systems Group; A. Peter Lawson, corp. v.p. & asst. general counsel; Garth Milne, corp. v.p. & treasurer; David K. Bartram, sr. v.p. & asst. gen. mgr., Communications Sector; Morton L. Topfer, sr. v.p. & asst. gen. mgr., Communications Sector; Theodore Saltzberg, sr. v.p. & dir.-technology, Communications Sector; Thomas D. George, sr. v.p. & asst. gen. mgr., Semiconductor Products Sector; Andre Borrel, sr. v.p. & gen. mgr.-International Semiconductor Group; Gordon C. Chilton, sr. v.p. & gen. mgr.-Discrete & Special Technologies Group; Murray A. Goldman, sr. v.p. & gen. mgr.-Microprocessor Products Group; Gary M. Johnson, sr. v.p. & gen. mgr.-Standard Logic and Analog Integrated Circuits Group; Geno Ori, sr. v.p. & dir.-customer relations, Semiconductor Products Sector; Charles E. Thompson, sr. v.p. & sector dir.-world marketing, Semiconductor Products Sector; Hector Ruiz, sr. v.p. & dir.-technology management, Semiconductor Products Sector; Gordon Comerford, sr. v.p. & group gen. mgr.-operations & staff, Communications Sector; Ronald E. Greenwell, sr. v.p. & gen. mgr.-Domestic Distribution Group, Communications Sector; Kenneth R. Hessler, sr. v.p. & gen. mgr.-Distribution Service Group, Communications Sector; Lawrence R. Paggeot, sr. v.p. & gen. mgr.-Cellular Subscriber Group; Bernard R. Smedley, sr. v.p. & gen. mgr.-Radio-Telephone Systems Group; John A. Lockitt, sr. v.p.-Information Systems Group & president-Codex Corporation; Frederick T. Tucker, sr. v.p. & gen. mgr.-Automotive and Industrial Electronics Group; Wilhelm Braxmaier, corp. v.p. & dir.-Eastern Europe; John A. Lockitt, sr. v.p.-information systems group; David G. Wolfe, sr. v.p. & gen. mgr.-gov. electronics group.

Directors: Robert W. Galvin, William J. Weisz, John F. Mitchell, Stephen L. Levy, B. Kenneth West, John T. Hickey, Wallace C. Doud, William G. Salatich, Gardiner L. Tucker, Lawrence Howe, Anne P. Jones, Walter E. Massey, David R. Clare, George M. C. Fisher, Gary L. Tooker, Christopher B. Galvin, Donald R. Jones.

Areas of Work: Engaged in the design, manufacture and sale of a diversified line of electronic equipment and components, including two-way radios, pagers and other forms of electronic communication systems, semiconductors, including integrated circuits, discrete semiconductors, and microprocessor units; information systems products such as multifunction computer systems, low, medium and high speed modems, multiplexers and network processors and multifunction computer systems for distributed data processing and office automation applications; electronic equipment for military and aerospace use; electronic engine controls, digital appliance controls, automobile radios and other automotive and industrial electronic equipment.

Divisions:

Automotive and Industrial Electronics Group
1299 East Algonquin Road
Schaumburg, Illinois 60196
(312) 397-8000

Products include automotive engine control systems, recording and monitoring systems for trucks, very- and ultra-high resolution monochrome monitors for use in the phototypesetting industry, cellular telephone equipment, and controls for appliances.

Automotive Powertrain and Chassis Electronics Division
Automotive Body Electronics Business
Sensors and Power Controls Business

Communications Sector
1301 East Algonquin Road
Schaumburg, Illinois 60196
(312) 397-1000

Mobile and portable FM two-way radio communications systems, radio paging systems, communications control centers, radio operations, microwave communications equipment and systems; single sideband radio equipment; and cellular mobile telephone systems.

Communications Systems Group

Government Markets Systems Division
Commercial Market Systems Division
Selected Markets Systems Division

Distribution Service Group

Parts Division

Domestic Distribution Group

Commercial Markets Division
National Markets Division
State and Local Government Markets Division

International Group

International Markets Division

MDI Mobile Data International Inc.

Manufacturing Technologies Group

Component Products Division

Motorola Storno Communications Group

Radio Technologies Group

Joint Venture:

ARDIS

Provides companies and their mobile workforces access to their computer data bases and information systems through two-radio data terminals.

Fixed Products Division
Portable Products Division
Paging Products Division
Radius Division
U.S. Federal Government Division
Mobile Products Division

Semiconductor Products Sector
5005 East McDowell Road
Phoenix, Arizona 85008
(602) 244-6900

MOS and bipolar integrated circuits; power and small signal transistors; thyristors, varactors, zener and tuning diodes; optoelectronics, semiconductor chips, RF modules, microwave devices, triggers, suppressors; field effect transistors.

Discrete and Special Technologies Group

Power Products Division
RF and Optoelectronic Products Division
Small Signal and Sensor Products Division
Zener/Rectifier Products Division

Final Manufacturing and Equipment Engineering Group

International Semiconductor Group

Asia Pacific Semiconductor Products Division

European Semiconductor Group

Discrete and Analog Products Division (Toulouse)
Microsystems, ASIC and Digital Products Division (Munich)
MOS Memory and Microprocessor Division (East Kilbride)

Microprocessor Products Group

High End MPU Division
Microcontroller Division

Standard Logic and Analog Integrated Circuits Group

Bipolar Analog Integrated Circuits Division
Logic Integrated Circuits Division
MOS Digital-Analog Integrated Circuits Division
Application Specific Integrated Circuits Division
MOS Memory Products Division

Government Electronics Group
8201 East McDowell Road
Scottsdale, Arizona 85252
(602) 949-3033

Products include government electronics products, such as diversified military and space electronic equipment, including aerospace telecommunications systems, military communications equipment, radar systems, data links display systems, positioning and navigation systems, missile guidance equipment, electronic ordnance devices and drone electronic systems.

Communications Division
Tactical Electronics Division
Strategic Electronics Division

General Systems Group

Supplies cellular telephone systems and manufactures microcomputers and related communications software.

Computer Group

Computer Systems Division
Field Service Division
International Division
Microcomputer Division

Radio-Telephone Systems Group

Cellular Subscriber Group
Cellular Subscriber Division
North American Subscriber Division

Information Systems Group

Provides customers with products to handle complex data communication needs.

Codex Corporation
Canton, Massachusetts

Universal Data Systems, Inc.
5000 Bradford Drive
Huntsville, Alabama 35805
(205) 837-8100

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: MOT

Number of Employees:

1990	105,000	1987	97,700
1989	104,000	1986	94,400
1988	102,000		

N.A.-Not Available

Sales & Earnings

	Net Sales * (000's)	Net Income (000's)
1990	$ 10,885,000	$ 499,000
1989	9,620,000	498,000
1988	8,250,000	445,000
1987	6,727,000	308,000
1986	5,905,000	194,000

	No. of Com. Shares ≡	Earn. per Share ≡
1990	131,300,000	$ 3.80
1989	130,000,000	3.83
1988	129,600,000	3.43
1987	128,900,000	2.39
1986	126,500,000	1.53

* Includes other revenue
≡ Based on the average number of shares outstanding

Revenues By Line of Business
(000's)

	1990	1989
Communications products	$ 3,560,000	$ 3,310,000
Semiconductor products	3,433,000	3,036,000
General systems prods.	2,648,000	1,902,000
Information systems products	599,000	552,000
Gov't. electronic products	685,000	698,000
Other products	436,000	490,000
Eliminations	(476,000)	(368,000)
Total	$ 10,885,000	$ 9,620,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.76	—	—
1989	0.76	—	—
1988	0.67	—	—
1987	0.64	—	—
1986	0.64	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	$ 4,257,000	$ 32.42
1989	3,803,000	29.25
1988	3,375,000	26.04
1987	3,008,000	23.34
1986	2,754,000	21.77

‡ Based on the average number of shares outstanding.

Income Account
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 10,885,000	$ 9,620,000
Cost of sales	6,882,000	5,905,000
Expenses	2,414,000	2,289,000
Depreciation	790,000	650,000
Interest expense	133,000	130,000
Income before taxes	$ 666,000	$ 646,000
Income taxes	167,000	148,000
Net Income	$ 499,000	$ 498,000

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 265,000	$ 231,000
Short-term invest.	312,000	202,000
Accts. receiv., net	1,857,000	1,683,000
*Inventories	1,245,000	1,173,000
Future tax benefits	419,000	337,000
Other curr. assets	354,000	289,000
Current Assets	$ 4,452,000	$ 3,915,000
#Fixed assets	3,778,000	3,337,000
Other assets	512,000	434,000
Total Assets	$ 8,742,000	$ 7,686,000

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 995,000	$ 787,000
Accts. payable	889,000	789,000
Accruals	1,164,000	1,078,000
Curr. Liabilities	$ 3,048,000	$ 2,654,000
Long-term debt	792,000	755,000
Deferred inc. taxes	203,000	183,000
Other liabilities	442,000	291,000
+Common stock	395,000	391,000
Add. paid-in capital	929,000	878,000
Retained earnings	2,933,000	2,534,000
Total Liabilities & Shareholders' Equity	$ 8,742,000	$ 7,686,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $3 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.12	6.72
% Net Income to Sales	4.58	5.18
% Net Income to Equity	11.72	13.09
Sales to Inventories	8.74	8.20
Debt to Equity	0.42	0.41
Working Capital	$ 1,404,000,000	$ 1,164,000,000
Current Ratio	1.46	1.42
Shareholders' Equity	$ 4,257,000,000	$ 3,803,000,000

MSI Electronics, Inc.

34-32 57th Street
Woodside, New York 11377
(718) 672-6500
FAX: (718) 397-0972

Officers: Albert Lederman, president & chairman of the board; T. R. Bashkow, secretary & treasurer.

Directors: A. Lederman, T. R. Bashkow, E. L. Hurd.

Areas of Work: Manufacturers voltage variable capacitor diodes, semiconductor components of instruments and test instruments.

Subsidiaries:

Elyon Electronics, Ltd. (98% owned)
East Grinstead, Sussex, England

MSI Semiconductor Inc.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MSIE (NASDAQ)

Number of Employees:

1990	23	1987	23
1989	23	1986	N.A.
1988	21		

Plant Footage:

1990	6,200 sq. ft.	1987	8,400
1989	6,200	1986	7,440
1988	8,400		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,218,706	$ (75,118)
1989	1,666,150	(840)
1988	1,418,301	(214,612)
1987	1,509,271	(71,166)
1986	2,533,615	580,521

	No. of Com. Shares †	Earn per Share †
1990	1,191,016	$ —
1989	1,275,388	—
1988	1,314,390	—
1987	1,364,268	—
1986	1,365,214	0.43

† Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 3,243,273	$ 2.72
1989	3,353,222	2.63
1988	3,384,199	2.57
1987	3,719,660	2.73
1986	3,832,452	2.81

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 1,218,706	$ 1,666,150
Cost of sales	964,342	1,153,650
Expenses	648,081	789,937
Interest & dividend income	(326,670)	(257,629)
Loss before taxes	$ (67,047)	$ (19,808)
Tax credit	(8,071)	(18,968)
Net Loss	$ (75,118)	$ (840)

* Included in Costs and Expenses, Depreciation and Amortization: $51,957 in 1990 and $81,219 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	$ 207,244	$ 215,607
Temp. cash invest.	2,324,712	2,629,245
Accts. receiv. net	233,615	307,885
Tax refund receiv.	79,866	319,092
*Inventories	426,255	320,221
Marketable securities	170,710	185,529
Interest receiv.	31,365	43,900
Prepaid expenses	18,056	16,792
Current Assets	$ 3,491,843	$ 4,038,271
#Fixed assets	64,546	86,481
Other assets	3,650	3,650
Total Assets	$ 3,560,039	$ 4,128,402

Liabilities

Accts. payable	$ 264,961	$ 715,008
Taxes payable	51,805	60,172
Curr. Liabilities	$ 316,766	$ 775,180
+Common stock	42,554	42,554
Add. paid-in capital	420,201	420,201
Retained earnings	3,139,871	3,214,989
Treasury stock	(400,850)	(340,266)
Total Liabilities & Shareholders' Equity	$ 3,560,039	$ 4,128,402

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.03 par value.

Statistical Summary

Sales to Inventories	2.86	4.34
Working Capital	$ 3,175,077	$ 3,263,091
Current Ratio	11.02	5.21
Shareholders' Equity	$ 3,243,273	$ 3,353,222

MTS Systems Corporation

14000 Technology Drive
Eden Prairie, Minnesota 55344
(612) 937-4000
FAX: (612) 937-4515

Mailing Address:
P.O. Box 24012
Minneapolis, Minnesota 55424

Officers: George N. Butzow, chairman; Donald M. Sullivan, president & chief executive officer; Marshall L. Carpenter, v.p. & treasurer; George Doering, v.p.-Automation Systems Group; Richard W. Clarke, v.p.; Milan L. Sebek, v.p.; J. Howell Owens, v.p.; Keith D. Zell, v.p.; Patrick Delaney, secretary.

Directors: Charles A. Brickman, George N. Butzow, Thomas E. Holloran, E. Thomas Binger, Thomas Stelson, Donald M. Sullivan, Marcelo Gumucio.

Areas of Work: Designs, manufactures and markets products, systems and software for analyzing engineering designs, for evaluating the performance characteristics of materials, products and structures, and for automating production processes.

Division:

Sensors Division
3001 Sheldon
Cary, North Carolina 27513
(919) 677-0100
Manufactures a proprietary line of position measuring instruments.

Sintech Division
378 Page Street
Stoughton, Massachusetts 02072
(617) 341-4220

Machine Controls Division
15155 Technology Drive
Eden Prairie, Minnesota 55344
(612) 937-6690

Subsidiaries:

MTS Systems GmbH
Potsdamer Str. 23/24
1000 Berlin 37, West Berlin

MTS (Japan) Ltd.
4-8-13 Kudan Minami
Chiyoda-Ku, Tokyo T102 Japan
MTS Systems France
MTS Systems (Hong Kong) Inc.
MTS Limited (London)
MTS Testing Systems (Canada) Ltd.
MTS Systems SRL (Italy)
MTS International Ltd. (Barbados, West Indies)
MTS Systems Norden AB (Sweden)
MTS Sistemas do Brasil, Ltda.
MTS Systems (China) Inc.
MTS Systems GmbH (Frankfurt)
MTS Systems (Singapore)
MTS Sensor Technologie GmbH (Ludenscheid)

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTSC (NASDAQ)

Number of Employees:

1990	1,381	1987	1,236
1989	1,397	1986	1,216
1988	1,319		

Plant Footage:

1990	400,000 sq. ft.	1987	300,000
1989	300,000	1986	300,000
1988	300,000		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 160,159,000	$ 8,408,000
1989	152,630,000	11,064,000
1988	128,917,000	9,142,000
1987	112,305,000	1,259,000
1986	109,724,000	6,914,000

	No. of Com. Shares #	Earn. Per Share #
1990	4,629,000	$ 1.82
1989	4,591,000	2.41
1988	4,485,000	2.04
1987	4,487,000	0.28
1986	4,353,000	1.59

Based on the weighted average number of shares outstanding adjusted to relfect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1990	$ 0.400	—	—
1989	0.280	—	—
1988	0.260	—	—
1987	0.226	—	3-for-2
1986	0.173	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 74,358,000	$ 16.48
1989	69,265,000	15.08
1988	59,109,000	13.34
1987	51,331,000	11.65
1986	48,805,000	11.43

+ Adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 160,159,000	$ 152,630,000
Cost of sales	94,423,000	88,906,000
Expenses	52,979,000	45,234,000
Interest expense	1,414,000	1,531,000
Interest income	(540,000)	(237,000)
Other expense	645,000	1,618,000
Income before taxes	$ 11,328,000	$ 15,578,000
Income taxes	2,920,000	4,514,000
Net Income	$ 8,408,000	$ 11,064,000

*Included in Costs and Expenses. Depreciation and Amortization: $5,617,000 in 1990 and $4,392,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 7,628,000	$ 8,838,000
Accts. recv., net	50,884,000	54,545,000
* Inventories	24,656,000	26,867,000
Prepaid expenses	1,875,000	1,989,000
Current Assets	$ 85,041,000	$ 92,239,000
# Fixed assets	35,204,000	30,161,000
Other assets	6,384,000	3,422,000
Total Assets	$ 126,631,000	$ 125,822,000

Liabilities

Notes payable	$ 4,500,000	$ 7,245,000
Long-term debt, curr.	1,173,000	1,166,000
Accts. payable	5,565,000	5,987,000
Accruals	16,085,000	14,450,000
Advance billings	5,435,000	8,391,000
Income taxes	2,807,000	6,540,000
Curr. Liabilities	$ 35,565,000	$ 43,779,000
Long-term debt	11,133,000	9,491,000
Deferred inc. taxes	3,575,000	3,287,000
+ Common stock	1,128,000	1,148,000
Add. paid-in capital	3,331,000	5,811,000
Retained earnings	66,891,000	60,303,000
Cum. trans. adjust.	3,008,000	2,003,000
Total Liabilities & Shareholders' Equity	$ 126,631,000	$ 125,822,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.07	10.21
% Net Income to Equity	5.25	7.25
% Net Income to Equity	11.31	15.97
Sales to Inventories	6.50	5.68
Debt to Equity	0.25	0.26
Working Capital	$ 49,478,000	$ 48,460,000
Current Ratio	2.39	2.11
Shareholders' Equity	$ 74,358,000	$ 69,265,000

Napco Security Systems, Inc.

333 Bayview Avenue
Amityville, New York 11701
(516) 842-9400
FAX: (516) 842-9137

Officers: Richard Soloway, chairman of the board & secretary; Kenneth Rosenberg, president & treasurer; Vincent Pomarico, v.p.-finance; Larry Badash, v.p.-sales; Raymond Gaudio, v.p.-engineering, software applications; Alfred DePierro, v.p.-engineering, microcomputer applications.

Directors: Richard Soloway, chairman; Kenneth Rosenberg, Randy B. Blaustein, Ben Z. Kedem.

Areas of Work: Manufactures electronic burglar and fire alarms and devices. Products include commercial and residential control panels, telephone dialers, sirens, passive infrared detection systems, and shock processors.

Subsidiaries:

E.E. Electronic Components, Inc.
Raltech Logic, Inc.
Napco Security Systems International, Inc. (DISC)
UMI Manufacturing Corp.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NSSC (NASDAQ)

Number of Employees:

1989	500	1986	273
1988	471	1985	296
1987	362		

Plant Footage:

1989	90,000 sq. ft.	1986	42,200
1988	116,000	1985	42,200
1987	42,200		

Sales & Earnings

	Net Sales	Net Income
1989	$ 36,669,000	$ 2,257,000
1988	35,238,551	4,163,037
1987	27,588,254	3,375,121
1986	23,561,308	2,933,404
1985	18,823,272	2,407,109

	No. of Com. Shares †	Earn per Share #
1989	4,366,437	$ 0.52
1988	4,361,442	0.95
1987	4,351,947	0.77
1986	4,345,467	0.67
1985	4,335,681	0.00

† Adjusted to reflect stock dividends.
# Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	—	50% & 50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 20,468,000	$ 4.69
1988	18,179,042	4.17
1987	14,000,454	3.22
1986	10,613,812	2.44
1985	7,662,341	1.77

‡ Adjusted to reflect stock dividends.

Income Account*

Year ended June 30	1989	1988
Net sales	$ 36,669,000	$ 35,238,551
Cost of sales	25,742,000	22,254,417
Expenses	6,888,000	5,952,822
Interest income	(159,000)	(76,025)
Interest expense	849,000	629,388
Other expense	30,000	79,914
Income before taxes	$ 3,319,000	$ 6,398,037
Income taxes	1,062,000	2,235,000
Net Income	$ 2,257,000	$ 4,163,037

* Included in Costs and Expenses, Depreciation and Amortization: $873,000 in 1989 and $630,383 in 1988.

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 2,476,000	$ 557,491
Munic. bonds held for invest.	—	298,351
Accts. receiv., net	5,592,000	5,669,504
*Inventories	10,553,000	11,520,270
Prepaid expenses	485,000	449,298
Def. inc. taxes	571,000	210,000
Current Assets	$ 19,677,000	$ 18,704,914
# Fixed assets	9,291,000	9,090,708
Exc. of cost over assets acq.	3,554,000	3,661,311
Other assets	197,000	258,086
Total Assets	$ 32,719,000	$ 31,715,019

Liabilities

Long-term debt, curr.	$ 6,225,000	$ 6,225,000
Accts. payable	924,000	2,729,740
Accrued payroll	574,000	434,067
Other accruals	797,000	363,825
Income taxes	—	38,345
Other liabilities	71,000	—
Curr. Liabilities	$ 8,591,000	$ 9,790,977
Long-term debt	3,000,000	3,300,000
Deferred inc. taxes	660,000	445,000
+ Common stock	59,000	58,903
Add. paid-in capital	716,000	684,054
Retained earnings	19,694,000	17,437,218
Treasury stock	(1,000)	(1,133)
Total Liabilities & Shareholders' Equity	$ 32,719,000	$ 31,715,019

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ 0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.05	18.16
% Net Income to Sales	6.16	11.81
% Net Income to Equity	11.03	22.90
Sales to Inventories	3.47	3.06
Debt to Equity	0.45	0.52
Working Capital	$ 11,086,000	$ 8,913,937
Current Ratio	2.29	1.91
Shareholders' Equity	$ 20,468,000	$ 18,179,042

National Computer Systems, Inc.

11000 Prairie Lakes Drive
Eden Prairie, Minnesota 55344
(612) 829-3000
FAX: (612) 829-3186

Officers: Charles W. Oswald, chairman of the board & chief executive officer; David C. Malmberg, president & chief operating officer; Richard L. Poss, v.p.-organization development; John W. Fenton, Jr., secretary & treasurer; Jeffrey W. Taylor, v.p. & corp. controller; Adrienne Tessier Tietz, v.p.-corp. development; Arthur E. Weisberg, senior staff officer.

Directors: Charles W. Oswald*, chairman; David C. Malmberg*, David P. Campbell, Arthur E. Weisberg*, Robert F. Zicarelli*, David C. Cox, Stephen G. Shank, John W. Vessey, Harvey Golub.

* Member of the Executive Committee

Areas of Work: The Company's business is organized into three operating sectors: Education, Technology, and Financial Systems. The Education sector is a supplier of forms-based data entry systems to the education market. NCS' optical mark reading scanners and forms have traditionally been used by schools, school districts and post secondary institutions to score standardized exams. The Technology sector designs and manufactures all NCS scanners and forms. The Financial Systems sector designs and markets asset management software, primarily for bank trust departments.

Transfer Agent(s):

Norwest Bank Minnesota, N. A.
Minneapolis, Minnesota 55479

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NLCS (NASDAQ)

Number of Employees:

1991	2,900	1988	2,150
1990	2,900	1987	2,001
1989	2,800		

Sales & Earnings

	Revenues +	Net Income
1991	$ 315,283,000	$ 13,022,000
1990	284,201,000	7,317,000
1989	241,901,000	15,401,000
1988	209,164,000	17,996,000
1987	197,628,000	15,750,000

	No. of Com. Shares #	Earn per Share #
1991	15,891,000	$ 0.82
1990	16,023,000	0.46
1989	16,999,000	0.91
1988	18,555,000	0.97
1987	18,842,000	0.84

+ Includes rentals & maintenance; of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ 0.28	—	—
1990	0.28	—	—
1989	0.25	—	—
1988	0.22	—	—
1987	0.17	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1991	$ [illegible]	$ 6.31
1990	90,192,000	5.63
1989	104,391,000	6.14
1988	103,799,000	5.59
1987	116,120,000	6.16

† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Jan. 31	1991	1990
Net sales	$ 235,627	$ 202,931
Maintenance & support	79,656	81,272
Total income	$ 315,283	$ 284,203
Cost of sales	143,502	124,919
Cost of maint. & support	56,549	54,152
Expenses	87,168	81,430
Software prod. discont.	—	6,230
Interest expense	6,459	6,127
Other expense (income)	633	(172)
Income before taxes	$ 20,972	$ 11,517
Income taxes	7,950	4,200
Net Income	$ 13,022	$ 7,317

* Included in Costs and Expenses, Depreciation and Amortization: $25,317,000 in 1991 and $24,810,000 in 1990.

Assets
(000's)

As of Jan. 31	1991	1990
Cash & cash equiv.	$ 3,259	$ 2,813
Receivables, net	64,358	74,098
*Inventories	26,325	29,242
Prepaid expenses	10,147	7,493
Current Assets	$ 104,089	$ 113,646
# Fixed assets	74,803	88,850
Other assets	46,267	47,899
Total Assets	$ 225,159	$ 250,395

National Computer Systems, Inc.

Liabilities
(000's)

Long-term debt, curr	$ 1,957	$ 13,292
Accts. payable	17,449	19,264
Accruals	21,204	22,046
Deferred income	10,029	7,821
Income taxes	2,099	649
Curr. Liabilities	$ 52,738	$ 63,072
Long-term debt	56,034	82,317
Deferred inc. taxes	15,741	14,794
+ Common stock	478	471
Add. paid-in capital	15,198	14,071
Retained earnings	95,142	85,648
Deferred compensation	(10,172)	(10,000)
Total Liabilities & Shareholders' Equity	$ 225,159	$ 250,395

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.03 par value.

Statistical Summary

% Income bef. Taxes to Sales	8.90	5.68
% Net Income to Sales	5.53	3.61
% Net Income to Equity	12.94	8.13
Sales to Inventories	9.95	6.94
Debt to Equity	0.58	1.06
Working Capital	$ 51,351,000	$ 50,574,000
Current Ratio	1.97	1.80
Shareholders' Equity	$ 100,646,000	$ 90,192,000

National Micronetics, Inc.

71 Smith Avenue
Kingston, New York 12401
(914) 338-0333
FAX (914) 338-0377

Officers: Dr. Yoon H. Choo, president, chief exec. officer, secretary & treasurer

Directors: Dr. Yoon H. Choo, chairman of the board; Dr. Jay Ahn, K. H. Chung, Charles A. Dickinson, Heelwan Lee

Areas of Work: Designs, manufactures and markets magnetic recording heads primarily for computer disc drives using Winchester technology. The Company manufactures ferrite cores as well as final recording heads assemblies.

Transfer Agent(s):

Mellon Financial Services
Fort Lee, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NMIC (NASDAQ)

Number of Employees:

1990	400	1987	580
1989	700	1986	600
1988	700		

Plant Footage:

1990	117,000 sq. ft.	1987	131,000
1989	131,000	1986	189,700
1988	145,000		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 42,126,000	$ (5,121,000)
1989	41,932,000	944,000
1988	38,789,000	930,000
1987	35,365,000	(1,585,000)
1986	36,332,000	(7,152,000)

	No. of Com. Shares #	Earn. per Share #
1990	9,757,000	$ —
1989	9,581,000	0.10
1988	9,179,000	0.10
1987	9,287,000	—
1986	9,182,000	—

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 6,662,000	$ 0.68
1989	11,542,000	1.20
1988	10,055,000	1.07
1987	8,855,000	0.95
1986	10,078,000	1.10

‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended June 30	1990	1989
Net sales	$ 42,126	$ 41,932
Cost of sales	37,021	32,659
Research, develop. & engin. exp.	2,375	3,113
Sell. & adm. expenses	7,123	4,160
Interest expense	807	976
Interest income	(167)	(13)
Other expense	88	—
Inc. (loss) bef. taxes	$ (5,121)	$ 1,037
Income taxes	—	93
Net Income (Loss)	$ (5,121)	$ 944

* Included in Costs and Expenses, Depreciation and Amortization: $2,050,000 in 1990 and $2,588,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash & cash equiv.	$ 724	$ 1,730
Accts. receiv., net	5,641	7,851
*Inventories	3,368	5,180
Other current assets	257	798
Current Assets	$ 9,990	$ 15,559
#Fixed assets	9,590	10,271
Other assets	183	230
Total Assets	$ 19,763	$ 26,060

Liabilities
(000's)

Long-term debt and cap. Lease oblig., curr.	$ 1,424	$ 3,047
Other long-term debt, curr.	2,482	—
Short-term debt	4,350	1,920
Accts. payable	2,628	2,991
Accrued payroll	1,151	1,224
Other accruals	510	1,363
Curr. Liabilities	$ 12,545	$ 10,145
Long-term debt & cap. lease oblig.	556	4,373
+Common stock	985	956
Add. paid-in capital	49,125	48,913
Retained earnings (deficit)	(43,448)	(38,327)
Total Liabilities & Shareholders' Equity	$ 19,763	$ 26,060

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	2.47
% Net Income to Sales	—	2.25
% Net Income to Equity	—	8.18
Sales to Inventories	12.51	8.09
Debt to Equity	1.32	0.81
Working Capital	—	$ 5,414,000
Current Ratio	—	1.53
Shareholders' Equity	$ 6,662,000	$ 11,542,000

National Semiconductor Corporation

2900 Semiconductor Drive
P.O. Box 58090
Santa Clara, California 95052-8090
(408) 721-5000
FAX (408) 739-9803

Officers: Charles E. Sporck, president & chief exec. officer; Donald P. Beadle, v.p.-worldwide marketing & sales; Raymond J. Farnham, v.p.-VLSI Division; John F. Hekking, v.p.-Memory Div.; Fred W. Hyrne, v.p.-Corp Strategic Development; Robert B. Johnson, v.p.-ASIC Division; Donald MacLeod, v.p.-financial projects; Edgar R. Parker, v.p. & gen. mgr.-Military/Aerospace Div.; J. Philip Russell, v.p. & controller; John G. Webb, v.p., general counsel & secretary; H. Gene McCown, v.p. & treasurer; Francis F. Lee, v.p.-quality & reliability; Michael E. Hawkins, v.p.-human resources; Richard L. Sanquini, v.p.-corporate strategic projects; H. Gene McCown, v.p. & treasurer; R. Thomas Odell, v.p.-Analog Division; James B. Owens, v.p.-Worldwide Wafer Fabrication; Kirk P. Pond, v.p.-Digital Logic Division

Directors: Peter J. Sprague, chairman; Donald E. Weeden, Charles E. Sporck, Robert Beshar, Harry H. Wetzel, Gary P. Arnold, Richard J. Danzig

Areas of Work: Engaged in the design, development, manufacture and marketing of a wide variety of semiconductor products including microprocessors, linear integrated circuits, digital integrated circuits, hybrid circuits and subsystems, electronic packaging, and miscellaneous services and supplies for the semiconductor industry.

Divisions and Subsidiaries:

National Semiconductor (UK) Ltd.
The Maple
Kembrey Park
Swindon, Wiltshire SN2 6UT England

National Semiconductor Pte., Ltd.
51 Goldhill Plaza
Newton Road
Singapore 1130

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Pacific

Ticker Symbol: NSM

Number of Employees:

1990	32,700	1987	29,200
1989	32,200	1986	30,800
1988	37,700		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 1,675,000,000	$ (25,000,000)
1989	1,647,900,000	(23,200,000)
1988	2,432,100,000	62,700,000
1987	993,900,000	(23,400,000)
1986	865,800,000	(93,400,000)

	No. of Com. Shares #	Earn. per Share #
1990	102,700,000	$ —
1989	103,100,000	—
1988	107,700,000	0.49
1987	91,700,000	—
1986	89,800,000	—

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity †	Equity Per Share #
1990	$ 691,800,000	$ 6.74
1989	723,500,000	7.02
1988	888,600,000	8.02
1987	703,000,000	7.67
1986	527,700,000	5.88

† After allowing for preferred stock at liquidation value.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended May 31	1990	1989
Net sales	$ 1,675,000	$ 1,647,900
Cost of sales	1,251,700	1,293,500
Expenses	476,700	487,800
Restruc. of oper.	(8,000)	53,600
Interest expense (income)	(12,400)	11,500
Loss before taxes	$ (32,400)	$ (198,500)
Income taxes (credit)	(3,100)	7,000
Loss-cont. oper.	$ (29,300)	$ (205,500)
Inc. discont. oper.	4,300	182,300
Net Loss	$ (25,000)	$ (23,200)

* Included in Costs and Expenses, Depreciation and Amortization: $179,900,000 in 1990 and $184,700,000 in 1989.

Assets

As of May 31	1990	1989
Cash & cash equiv.	$ 128,700	$ 228,000
Receiv., net	211,400	194,200
*Inventories	220,000	218,900
Other curr. assets	64,900	37,300
Current Assets	$ 625,000	$ 678,400
#Fixed assets	702,200	696,500
Other assets	50,400	41,200
Total Assets	$ 1,377,600	$ 1,416,100

Liabilities
(000's)

	1990	1989
Short-term borrowings & long-term debt, curr.	$ 12,000	$ 10,000
Accts. payable	194,900	143,700
Accruals	146,000	191,900
Income taxes	62,300	77,400
Other curr. liabilities	11,500	25,800
Curr. Liability	$ 426,700	$ 448,800
Long-term debt	64,200	52,200
Deferred inc. taxes	13,900	13,800
Other liabilities	56,000	52,800
+Preferred stock	100	100
++Common stock	51,600	51,300
Add. paid-in capital	691,200	688,200
Retained earnings	73,900	108,900
Total Liabilities & Shareholders' Equity	$ 1,377,600	$ 1,416,100

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value; $40.00 convertible exchangeable.
++ $0.50 par value.

Statistical Summary

Sales to Inventories	7.61	7.53
Debt to Equity	0.09	0.07
Working Capital	$ 198,300,000	$ 229,600,000
Current Ratio	1.46	1.51
Shareholders' Equity	$ 816,800,000	$ 848,500,000

NBI, Inc.

P.O. Box 9001
3450 Mitchell Lane
Boulder, Colorado 80301
(303) 444-5710
FAX (303) 938-2586

Officers: Stephen G. Jerritts, president & chief executive officer; Nancy K. Hamilton, chief financial officer, treasurer & secretary; Peter P. Gombrich, exec. v.p.; Michael L. Karsner, vice president; Leonard Koch, vice president; Claudio Pela, vice president.

Directors: Stephen G. Jerritts, Richard Hodgson, Richard G. Meise, Pater P. Gombrich, Dianne C. Walker.

Areas of Work: Designs and markets advanced word processing software applications for personal computers and provides service and support to a wide base of system customers in the United States and internationally.

Transfer Agent(s):

Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): New York, Pacific

Ticker Symbol: NBI

Number of Employees:

1990	360	1987	N.A.
1989	520	1986	3,193
1988	1,272		

N.A. - Not Available

Plant Footage:

1990	321,491 sq. ft.	1987	N.A.
1989	310,000	1986	560,653
1988	451,000		

N.A. - Not Available

Sales & Earnings

	Revenues +	Net Income +
1990	$ 47,122,000	$ (42,565,000)
1989	89,158,000	(30,204,000)
1988	130,672,000	(49,819,000)
1987	160,592,000	(5,405,000)
1986	161,970,000	(3,868,000)

	No. of Com. Shares #	Earn. per Share †#
1990	8,751,000	$ —
1989	8,476,000	—
1988	8,581,000	—
1987	9,272,000	—
1986	9,679,000	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $509,000 in 1987 and $130,000 in 1986.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1990	$ (19,075,000)	$ —
1989	3,098,000	0.37
1988	33,833,000	4.03
1987	86,903,000	9.72
1986	100,371,000	10.32

(Deficiency)
‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended June 30	1990	1989
Net sales	$ 12,087	$ 40,960
Rental & serv.	35,035	48,198
Total income	$ 47,122	$ 89,158
Cost of sales & serv.	32,996	58,313
Expenses	29,697	49,346
Restruc. costs	16,960	—
Interest income	(2,634)	(2,772)
Interest expense	6,265	5,948
Loss bef. taxes	$ (36,162)	$ (21,677)
Income taxes	2,800	—
Loss-cont. oper.	$ (38,962)	$ (21,677)
Loss-discont. oper.	(3,603)	(8,527)
Net Loss	$ (42,565)	$ (30,204)

* Included in Costs and Expenses, Depreciation and Amortization: $6,383,000 in 1990 and $14,156,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash & cash equiv.	$ 16,882	$ 10,726
Marketable securities	153	94
Receivables	7,050	21,099
*Inventories	653	11,337
Other curr. assets	2,609	3,270
Current Assets	$ 27,347	$ 46,526
Installment receiv.	464	2,405
#Rental equip.	366	555
‡ Field spare parts	2,725	5,389
#Fixed assets	1,965	25,539
Other assets	6,479	4,832
Total Assets	$ 39,346	$ 85,246

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 8,742	$ 11,899
Accts. payable	1,222	4,986
Accruals	15,255	13,481
Net liab.-discont. oper.	1,456	875
Curr. Liabilities	$ 26,675	$ 31,241

Long-term debt		34,203		36,921
Deferred inc. taxes		13,252		8,375
Other liabilities		197		821
Net liab. discont. oper		—		695
* Preferred stock		41		41
++ Common stock		979		979
Add. paid-in capital		57,507		57,507
Retained earnings (deficit)		(91,120)		(40,783)
Curr. trans. adj.		(560)		(609)
Treasury stock		(2,028)		(10,142)
Total Liabilities & Shareholders' Equity	$	39,346	$	85,246

* At lower of cost (FIFO) or market
# Less accumulated depreciation
‡ Less acumulated amortization
+ $1 par value; Series A, 9% cumulative convertible
++ $0.10 par value

Statistical Summary

Sales to Inventories		19.51		3.61
Debt to Equity		—		6.79
Working Capital	$	672,000	$	15,285,000
Current Ratio		1.01		1.49
Shareholders' Equity (Deficiency)	$	(14,981,000)	$	7,193,000

NCR Corporation

1700 South Patterson Boulevard
Dayton, Ohio 45479
(513) 445-5000
FAX: (513) 445-1238

Officers: Charles E. Exley, Jr., chairman of the board & chief exec. officer; Gilbert P. Williamson, president; R. Elton White, exec. v.p.-marketing; James K. Hull, v.p.-corp. information systems & services; John L. Giering, sr. v.p.-finance & administration; Lee W. Hoevel, v.p.-technology & development; Richard B. Reese, v.p.-customer services; Philip M. Neches, sr. v.p. & chief scientist; David G. Laws, v.p. & president-Applied Digital Data Systems Inc.; Tom T. Tang, v.p.-Network Products Division; Charles P. Russ, III, v.p., secretary & general counsel; Roger C. Lintern, v.p. & controller; James E. McElwain, v.p.-personnel & education; S. Richard Reece, v.p. & treasurer; Giuseppe Bassani, v.p.-stakeholder relations; Gary W. Burnett, v.p.-Customer Services Division; Robert C. James, v.p.-cooperative marketing division; Warren A. Castray, v.p.-Pacific; D. L. Clark, sr. v.p.-Integrated Systems Group; Raymond L. Miolla, v.p.-Financial Systems Division; Richard K. Kruse, v.p.-manufacturing & quality assurance; J. H. Van Tassel, v.p.-Microelectronics Division; Frederick Newall, v.p.-Europe; Mohsen Y. Stephan, v.p.-Latin America/Middle-East/Africa Group; Allan M. Quick, v.p.-Retail Systems Division; Alok Mohan, v.p.-workstation products division; Norman A. Cocke, v.p.-finance & administration; John R. Poole, v.p. & group exec.-United States; Khaled Marrei, v.p.-financial systems division; Gary J. Cotshott, v.p.-CI/MEG Systems Division; James G. Adamson, v.p.-self service systems division; Thomas A. Mays, sr. v.p.-general purpose products group; Anthony Fano, v.p.-retail systems div.; Williaam J. Eisenman, v.p.-Multi-User Products Division; John L. Quinlan, v.p.-financial systems division; Donald F. Clavon, v.p.-systemedia; Patrick R. Mill, v.p.-corp. marketing.

Directors: W. G. Bowen, Charles A. Corry, C. E. Exley, Jr.*, C. H. Hardesty, Jr.*, H. Holiday, Jr.*, David R. Whitman, J. J. Horan, Frank P. Popoff, C. S. Morawetz, Harold A. Poling, R. Elton White, Gilbert P. Williamson, John F. Woodhouse.

* Member of the Executive Committee

Areas of Work: Develops, manufactures, markets, installs and services total business information processing systems for selected worldwide markets. These markets are primarily in the retail, financial, commercial, industrial, healthcare, education, and government sectors. Computers range from small business systems to powerful general-purpose processors, and are supported by a spectrum of terminals, peripherals, data communications networks and an extensive library of software products. Supplemental services and products include field engineering, data centers, systems services, educational centers, and a line of business forms and supplies. Also manufactures components, including semiconductor products and component subassemblies, which are marketed to other manufacturers.

Divisions and Subsidiaries:

Data Processing Group
Direct Marketing and Customer Support

NCR markets its products through 1,200 offices in more than 120 countries. It operates 87 facilities worldwide for the development and manufacture of products and systems. Operates 48 Data Centers worldwide. Products and systems are marketed through 831 districts in the United States and, internationally, through 72 company-owned organizations and 21 authorized distributors.

The Systemedia Group

Business Forms and Supplies Division
Business forms and supplies are manufactured in 9 U.S. plants and 48 overseas facilities, and are sold to both NCR and non-NCR equipment users.

The Micrographic Systems Division
Mountain View, California
Manufactures and markets a complete line of Computer Output Microfiche recorders, duplicators, and readers, and is a supplier of COM equipment.

Direct Marketing Division
Provides catalog sales of business forms and supplies for smaller users.

Source Document Services Division
Kettering, Ohio
Markets conventional microfiche and ultrafiche processing systems and related equipment for publishers, printers, and libraries.

NCR Comten, Inc.
St. Paul, Minnesota
Produces, markets, and services programmable communications processors, proprietary communications software, and computer performance measurement systems.

Independent Marketing Organization
Responsible for new markets not covered by the traditional direct sales organization. Markets NCR computers, terminals and subsystems to independent software houses, system integrators, distributors, dealers and manufacturers of information processing equipment.

Development and Production Group
Consists of 5 divisions: Retail Systems, General Purpose Systems, CI/MEG Systems, Financial Systems and Microelectronics. Comprises 24 operating units in 9 countries.

Applied Digital Data Systems, Inc.
Hauppauge, New York
Manufactures and markets a line of general-purpose computer video display terminals and small business computers.

Transfer Agent(s):

Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, London, Main Swiss Exchanges

Ticker Symbol: NCR

Number of Employees:

1990	55,000	1987	62,000
1989	56,000	1986	62,000
1988	60,000		

Plant Footage:

1990	7,100,000 sq. ft.	1988	6,600,000
1989	6,810,000	1987	7,100,000

Sales & Earnings

		Net Sales ‡ + (000's)		Net Income (000's)
1990	$	6,285,000	$	369,000
1989		5,956,000		412,000
1988		5,989,909		439,266
1987		5,640,667		419,330
1986		4,881,641		336,524

	No. of Com. Shares		Earn. per Share †
1990	64,480,037	$	5.43
1989	70,595,640		5.38
1988	79,437,775		5.33
1987	84,000,556		4.51
1986	93,984,451		3.42

‡ Includes income from sales, services and equipment rental
+ Of continuing operations only
† Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business
(000's)

		1990		1989
Industry-specific prods:				
Retail	$	623,000	$	596,000
Financial		973,000		802,000
Small computer syst./workstn		444,000		391,000
Mid-range computer syst		765,000		850,000
Large computer systems		264,000		289,000
Communication processors		113,000		141,000
Other		171,000		193,000
Total - equip. & software	$	3,353,000	$	3,262,000
Media & businessforms		522,000		495,000
Semiconductors & components		146,000		116000
Services		2,264,000		2,083,000
Total	$	6,285,000	$	5,956,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.40	—	—
1989	1.32	—	—
1988	1.24	—	—
1987	1.08	—	—
1986	0.92	—	—

Common Stock Equity

		Total Equity (000's)		Equity Per Share
1990	$	1,790,000	$	27.76
1989		1,985,000		28.12
1988		2,240,175		28.20
1987		2,161,519		25.73
1986		2,396,332		25.50

Income Account *
(000's)

Year ended Dec. 31		1990		1989
Net sales & rentals	$	4,021,000	$	3,873,000
Services		2,264,000		2,083,000
Revenues	$	6,285,000	$	5,956,000
Cost of revenues		3,420,000		3,209,000
Expenses		2,212,000		2,061,000
Other income		(64,000)		(91,000)
Interest expense		67,000		48,000
Income before taxes	$	650,000	$	729,000
Income taxes		281,000		317,000
Net Income	$	369,000	$	412,000

* Included in Costs and Expenses: Depreciation: $325,000,000 in 1990 and $296,000,000 in 1989.

Assets
(000's)

As of Dec 31	1990	1989
Cash & cash equiv	$ 486,000	$ 594,000
Short-term invest	245,000	190,000
Recvs - net	1,123,000	1,146,000
*Inventories	499,000	561,000
Prepaid taxes & other	217,000	216,000
Current Assets	$ 2,570,000	$ 2,707,000
Long term recvs	338,000	306,000
#Rental equip	185,000	185,000
#Fixed assets	1,004,000	919,000
Other assets	450,000	383,000
Total Assets	$ 4,547,000	$ 4,500,000

Liabilities
(000's)

	1990	1989
Short term borrowings	$ 286,000	$ 323,000
Accts payable	280,000	247,000
Accrued payroll	208,000	173,000
Accrued taxes	309,000	288,000
Deposits & def. serv. rev	422,000	381,000
Other curr. liab	438,000	405,000
Curr. Liabilities	$ 1,941,000	$ 1,817,000
Long term debt	236,000	233,000
Pension & indemn. liab	186,000	139,000
Def. inc. taxes	165,000	136,000
Minority interests	227,000	194,000
+Common stock	322,000	353,000
Retained earnings	1,517,000	1,622,000
Other	(49,000)	10,000
Total Liabilities & Shareholders' Equity	$ 4,547,000	$ 4,500,000

* At lower of cost (average) or market
# Less accumulated depreciation
+ $5 par value

Statistical Summary

	1990	1989
%Income bef. Taxes to Revenues	10.34	12.41
% Net Income to Revenues	5.87	6.92
% Net Income to Equity	20.61	20.76
Debt to Equity	0.29	0.28
Working Capital	$ 627,000,000	$ 894,000,000
Current Ratio	1.32	1.49
Shareholders' Equity	$1,790,000,000	$1,985,000,000

NEC Corporation

7-1, Shiba 5-chome, Minato-ku
Tokyo 108-01 Japan
(03) 454-1111
FAX: (03) 798-1510

Directors: Kenzo Nakamura, chairman of the board; Tadahiro Sekimoto, president; Yoshiteru Ishii, sr. exec. v.p.; Koji Maeda, sr. exec. v.p.; Toshiro Kunihiro, sr. exec. v.p.; Hisao Kanai, exec. v.p.; Tomihiro Matsumura, exec. v.p.; Yukio Mizuno, exec. v.p.; Kazuyoshi Akimoto, exec. v.p.; Tadashi Suzuki, exec. v.p.; Koh Fukuda, exec. v.p.; Shin-ichi Itoh, exec. v.p.; Hideo Nakao, exec. v.p.; Akira Kobayashi, exec. v.p.; Hajime Seida, sr. v.p.; Hisashi Kaneko, sr. v.p.; Minoru Niki, sr. v.p.; Seijiro Yokoyama, sr. v.p.; Jiro Okuda, sr. v.p.; Yasuhiko Nakazawa, sr. v.p.; Yasuo Kato, sr. v.p.; Kyonosuke Ibe, director & advisor; vice presidents – Tatsumi Natatoshi, Hajime Sasaki, Akira Miyazawa, Yoshihiro Suzuki, Tatsuo Sakairi, Shunji Nishihira, Tomoo Miyawaki, Masao Toka, Nobutsune Kogo, Toshio Ono, Yuichi Haneta, Kouji Nishigaki.

Areas of Work: The Company is a leading international supplier of communications systems and equipment, computers and industrial electronic systems, electron devices, and home electronics products. All the Company's activities are based on its synergistic concept of the integration of computers and communications.

Communications systems and equipment: Digital and electronic switching systems for central office and PBX uses, carrier transmission equipment, pulse code modulation communications systems, power-line carrier equipment, submarine cable repeaters, fiber-optic transmission systems, CATV systems, microwave communications systems, over-the-horizon communications equipment, satellite communications systems, laser communications equipment, mobile and portable radio equipment, pagers, television and radio broadcast equipment, VTR and studio equipment, aircraft and space electronic equipment, satellites, rocket guidance and control equipment, radio navigation and radar equipment, defense electronic systems, telephone sets, key telephone systems, video telephone equipment, cordless telephone sets, teleconferencing systems, facsimile equipment.

Computers and industrial electronic systems: Mainframe computers, SBCs, PCs, supercomputers, minicomputers, software products, peripheral and terminal equipment, monitors, word processors, optical disk players, CAD/CAM and CAE systems, automated fingerprint identification systems, medical electronic equipment, underwater ultrasonic application equipment, supervisory control and data acquisition systems, building automation systems, communications network control systems, postal automation systems, numerical control equipment, robots, educational electronic equipment, speech recognizers.

Electron devices: Memories, microcomputers and software, linear ICs, gate arrays, standard cells, charge-coupled devices, hybrid ICs, transistors, gallium arsenide field-effect transistors, diodes, electronic tuners, optical semiconductor devices, color display tubes, fluorescent indicator panels, plasma display panels, electro-luminescent lighting panels, color LCDs, PWBs, capacitors, laser application equipment, hermetic seals, electron tubes, gas lasers, variable resistors, relays, keyboards.

Home electronic products: Color television receivers, extended definition television receivers, DBS receivers, video projectors, videotex terminals, video game units, VCRs, compact disk players, videodisk tubes, players, surround amplifiers/decoders, portable video cameras, kitchen appliances, air conditioners, home automation systems, lighting products.

Other operations: VAN information services, installation and maintenance of communications systems, electrical connectors, measuring and testing systems, semiconductor manufacturing and vacuum equipment.

Divisions and Subsidiaries:

Domestic

NEC Home Electronics, Ltd
NEC Kyushu, Ltd
NEC Yamagata, Ltd
NEC Kansai, Ltd
NEC Ibaraki, Ltd
NEC Tohoku, Ltd
NEC Gunma, Ltd
NEC System Integration & Construction, Ltd
Japan Aviation Electronics Industry, Limited
Ando Electric Company, Limited
Nippon Avionics Co., Ltd

Overseas

NEC America, Inc (U.S.A.)
NEC Electronics Inc (U.S.A.)
NEC Technologies, Inc (U.S.A.)

American Subsadiaries

NEC Systems Laboratory, Inc
NEC Technologies, Inc
Boxborough, Massachusetts

HNSX Supercomputers Inc
Burlington, Massachusetts

NMI Corporation
Dallas, Texas

NEC USA, Inc
Dover, Delaware

NEC Business Communication Systems (East), Inc
East Syracuse, New York

NEC Business Communication Systems (Hawaii), Inc
Honolulu, Hawaii

NEC Business Communication Systems (West), Inc
NEC Logistics America, Inc
Los Angeles, California

NEC America, Inc
Melville, New York

NEC Electronics Inc
Mountain View, California

NEC Industries, Inc
New York, New York

NEC Research Institute, Inc
Princeton, New Jersey

NEC Business Communication Systems (Central), Inc
West Palm Beach, Florida

Transfer Agent(s):

The Sumitomo Trust and Banking Company, Limited
4-4, Marunouchi 1-chome, Chiyoda-ku
Tokyo 100 Japan

Stock Exchange(s): Tokyo, Amsterdam, Basel, Geneva, Zurich, Frankfurt, London, U.S. Over-the-Counter (ADRs)

Ticker Symbol: NIPNY (NASDAQ)

Number of Employees

1990	114,599	1987	101,227
1989	104,022	1986	95,796
1988	102,452		

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1990	¥3,504,308,000	$ 85,219,000
1989	3,126,764,000	64,477,000
1988	2,755,217,000	25,363,000
1987	2,505,227,000	15,034,000
1986	2,403,232,000	27,185,000

	No. of Com Shares	Earn. per Share ‡ +
1990	1,519,628,864	¥ 52.74
1989	1,493,242,272	40.87
1988	1,468,793,788	17.30
1987	1,408,052,163	10.71
1986	N.A.	19.38

¥ - Yen
N.A. - Not Available
‡ Including extraordinary gains of ¥ 6,630,000,000 (¥ 3.99 per share) in 1990 and ¥ 9,636,000,000 (¥ 5.90 per share) in 1989.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Communications syst. & equip	¥3,444,177,000	¥3,082,800,000
Computers & industr. electron	1,506,593,000	1,332,941,000
Electron devices	605,946,000	566,026,000
Home electronics products	263,705,000	225,503,000
Other operations	192,915,000	155,896,000
Total	¥3,444,177,000	¥3,082,800,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 10.00	—	—
1989	9.00	—	—
1988	9.00	—	—
1987	9.00	—	—
1986	9.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	¥ 805,185,000	¥ 529.86
1989	689,361,000	461.65
1988	593,218,000	403.88
1987	514,269,000	365.23
1986	498,040,000	

Income Account *
(millions)

Year ended Mar. 31		1990		1989
Net sales	¥	3,444,177	¥	3,082,800
Other income		60,131		43,964
Total income	¥	3,504,308	¥	3,126,764
Cost of sales		2,283,360		2,098,501
Expenses		927,442		799,488
Interest expense		90,539		72,321
Other expense		29,226		24,264
Income before taxes	¥	173,741	¥	132,190
Income taxes		105,567		87,264
Minority interest		2,175		2,158
Eq. in inc. of affil. cos.		(12,590)		(12,073)
Net Income	¥	78,589	¥	54,841
Extraord. gain		6,630		9,636
Net Income & extraord. gain	¥	85,219	¥	64,477

* Included in Costs and Expenses. Depreciation ¥ 199,062,000,000 in 1990 and ¥ 171,899,000,000 in 1989.

Assets
(millions)

As of Mar. 31		1990		1989
Cash & cash equiv.	¥	352,471	¥	389,755
Time deposits		14,242		69,532
Marketable securities		67,046		58,903
Notes & accts. receiv., net		986,319		863,566
*Inventories		735,898		683,632
Inc. tax prepayments		35,746		30,651
Prepaid expenses		45,377		28,148
Current Assets	¥	2,237,099	¥	2,124,187
Investments & receivables		311,323		298,901
#Fixed assets		957,735		769,762
Other assets		177,842		153,562
Total Assets	¥	3,683,999	¥	3,346,412

Liabilities
(millions)

		1990		1989
Short-term borrowings	¥	628,457	¥	575,628
Long-term debt, curr.		68,220		74,993
Notes & accts. payable		816,395		724,743
Emp. sav. deposits		86,409		82,979
Accrued income taxes		66,228		53,361
Other current liabilities		294,901		248,525
Current Liabilities	¥	1,960,610	¥	1,760,229
Long-term debt		587,077		593,531
Accrued pension		108,773		95,832
Other accruals		169,800		165,977
Minority interest		52,554		41,482
+Common stock		175,350		159,973
Add. paid-in capital		268,748		245,100
Legal reserve		19,475		17,856
Ret. earn. for special allow.		28,306		24,454
Retained earnings		315,316		250,716
For. curr. trans. adjust.		(1,997)		(7,869)
Treasury stock		(13)		(869)
Total Liabilities & Shareholders' Equity	¥	3,683,999	¥	3,346,412

* At lower of cost or market.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.04	4.29
% Net Income to Sales	2.47	2.09
% Net Income to Equity	10.58	9.35
Sales to Inventories	4.68	4.51
Debt to Equity	1.59	1.80
Working Capital (000's)	¥ 276,489,000	¥ 363,958,000
Current Ratio	1.14	1.21
Shareholders Equity (000's)	¥ 805,185,000	¥ 689,361,000

Network Systems Corporation

7600 Boone Avenue North
Minneapolis, Minnesota 55428
(612) 424-4888
FAX: (612) 424-2853

Officers: Lyle D. Altman, chairman, president & chief executive officer; Gary S. Christensen, v.p.-advanced development; Mahlon L. Moore, v.p.-sales & marketing; Gerald R. Olson, v.p.-operations; Richard A. Fisher, v.p.-finance & treasurer; Malcolm Reid, v.p., general counsel & secretary; Harold W. Durrett, v.p.-information systems; Donald Humphrey, v.p.-advanced design; David M. Brown, v.p.-field services; Walter W. Miller, v.p.-international operations; William R. Franta, v.p.-computer networking & consulting services; Ralph R. Fetter, v.p.-manufacturing; Jeffrey G. Jacobsen, v.p.-marketing administration; Warren L. Pillsbury, v.p.-marketing; Richard A. Heller, v.p.-U.S. sales; C. Donald Haeny, v.p.-marketing services; Mark E. Slicker, v.p.-administration.

Directors: James E. Thornton, chairman; Lyle D. Altman, Donald W. Feddersen, Eugene F. Barth, Daniel J. Haggerty, William A. Hodder.

Areas of Work: The company designs, manufactures, markets and services high-performance data communications systems that interconnect computer mainframes, minicomputers, personal computers, terminals, and workstations and permit them to operate at high speed and long distances.

Subsidiaries:

Network Systems Ltd.
Mississauga, Ontario, Canada

Network Systems France
Neuilly sur Seine, France

Network Systems Norge A/S
Oslo, Norway

NSC Network Systems AB
Sollentuna, Sweden

Network Systems (Schweiz) AG
Zurich, Switzerland

Network Systems Nederland b.v.
Weesp, The Netherlands

Network Systems Limited
Ascot, Berkshire, United Kingdom

Network Systems GmbH
Frankfurt, West Germany

Network Systems Belgium
Brussels, Belgium

Network Systems Danmark A/S
Herlev, Denmark

Network Systems Austria
Linz, Austria

Network Systems Limited
Berkshire, United Kingdom

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NSCO (NASDAQ)

Number of Employees:

1990	1,103	1987	1,006
1989	971	1986	911
1988	1,054		

Plant Footage:

1990	192,000 sq. ft.	1987	192,000
1989	192,000	1986	192,000
1988	192,000		

Sales & Earnings

	Revenues	Net Income
1990	$ 163,638,000	$ 21,973,000
1989	144,789,000	17,327,000
1988	131,470,000	11,360,000
1987	120,506,000	17,452,000
1986	108,792,000	18,007,000

	No. of Com. Shares #	Earn. per Share #
1990	29,757,000	$ 0.74
1989	29,488,000	0.59
1988	29,480,000	0.39
1987	29,212,000	0.60
1986	29,042,000	0.62

Based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 246,469,000	$ 8.38
1989	220,145,000	7.53
1988	202,474,000	6.93
1987	191,362,000	6.56
1986	170,530,000	5.87

Income Account *

Year ended Dec. 31		1990		1989
Revenues				
Net sales - products	$	116,465	$	105,307
Services		47,173		39,482
Total revenues	$	163,638	$	144,789
Cost of sales & serv.		73,133		65,865
Expenses:				
Mkt., gen. & adm.		52,005		45,593
Res. & develop.		16,040		15,850
Interest income		(12,429)		(10,612)
Interest expense		886		676
Income bef. taxes	$	34,003	$	27,417
Income taxes		12,030		10,090
Net Income	$	21,973	$	17,327

* Included in Costs and Expenses. Depreciation and Amortization: $10,082,000 in 1990 and $6,688,000 in 1989.

Assets
(000's)

As of Dec. 31		1990		1989
Cash & short-term invest.	$	64,439	$	40,540
Market. securities		34,596		56,168
Accts. receiv., net		56,336		54,189
*Inventories		14,726		13,732
Prepaid expenses		4,262		1,871
Deferred inc. taxes		4,485		5,350
Current Assets	$	178,844	$	171,850
#Fixed assets		28,122		24,170
Other assets		86,302		67,480
Total Assets	$	293,268	$	263,500

Liabilities
(000's)

Accts payable	$	5,256	$	4,882
Accruals		15,155		14,146
Income taxes pay		7,128		4,741
Deferred revenue		2,000		2,000
Long-term debt curr		33		30
Current Liabilities	$	29,572	$	25,799
Deferred revenue		5,500		7,500
Long-term debt		2,859		2,893
Deferred comp		6,158		4,437
Deferred inc taxes		2,710		2,730
+Common stock		588		585
Add paid-in capital		103,817		101,973
Retained earnings		137,364		115,391
Cum trans adjust		4,700		2,196
Total Liabilities & Shareholders' Equity	$	293,268	$	263,500

* At lower of cost (FIFO) or market

≠ Less accumulated depreciation

+ $0.02 par value

Statistical Summary

% Income bef. Taxes to Revenues		20.78		18.94
% Net Income to Revenues		13.43		11.97
% Net Income to Equity		8.92		7.87
Debt to Equity		0.01		0.01
Working Capital	$	149,272,000	$	146,051,000
Current Ratio		6.05		6.66
Shareholders' Equity	$	246,469,000	$	220,145,000

Networks Electronic Corp.

9750 DeSoto Avenue
Chatsworth, California 91311
(818) 341-0440
FAX (818) 718-7133

Officers: Mihai D. Patrichi, chairman of the board, chief exec. officer, president, & chief fin. officer; Edwin J. Turner, exec. v.p. & secretary; Herman J. Landolt, v.p., & gen. mgr.-U.S. Bearing Division.

Directors: Mihai D. Patrichi, chairman; Edwin J. Turner, Kenneth S. Yamamoto, Gerald M. McDonnel, Meldrim F. Burrill, Herman J. Landolt.

Areas of Work: Engaged in the design, fabrication, assembly and sale of high technology components for aerospace and U.S. Government defense prime contractors. The company operates two divisions: (1) U.S. Bearing Division whose products are spherical, self-aligning self-lubricating and specialized bearings used chiefly in the aerospace industry, and (2) Ordnance Division whose products include miniaturized electro-pyrotechnic devices such as switches, thermal relay switches and glass-to-metal seals used solely in the defense and aerospace industries.

Divisions:

U.S. Bearing Division
Ordnance Division

Transfer Agent(s):

First Interstate Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NWRK (NASDAQ)

Number of Employees:

1990	100	1987	136
1989	112	1986	126
1988	129		

Plant Footage:

1990	85,000 sq. ft.	1987	85,000
1989	85,000	1986	85,000
1988	85,000		

Sales & Earnings

		Net Sales		Net Income
1990	$	7,289,170	$	(609,547)
1989		7,463,584		448,845
1988		7,484,019		709,128
1987		7,530,000		609,000
1986		6,343,000		(327,000)

	No. of Com Shares		Earn. per Shares ≠
1990	1,453,642	$	—
1989	1,516,642		0.26
1988	1,878,842		0.37
1987	2,012,342		0.28
1986	2,275,472		—

(Loss)

≠ Based ~~on the average~~ number of shares outstanding

Revenues by Line of Business

		1990		1989
Bearings	$	5,392,000	$	4,646,000
Ordnance		1,897,000		2,818,000
Total	$	7,289,000	$	7,464,000

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	1,294,452	$	0.89
1989		2,544,749		1.68
1988		3,805,892		2.03
1987		3,597,139		1.79
1986		4,218,000		1.85

Income Account *

Year ended June 30		1990		1989
Net sales	$	7,289,170	$	7,463,584
Cost of sales		6,381,777		5,351,691
Expenses		1,589,711		1,137,615
Interest expense		441,617		295,891
Other income		(12,592)		(5,805)
Inc (loss) bef taxes	$	(1,111,343)	$	684,192
Income taxes (credit)		(501,796)		241,926
Prior period adjust		—		(6,579)
Net Income (Loss)	$	(609,547)	$	448,845

* Included in Costs and Expenses, Depreciation and Amortization: $636,868 in 1990 and $600,556 in 1989.

Assets

As of June 30		1990		1989
Cash & cash equiv	$	1,500	$	198,191
Accts receiv , net		1,239,222		1,533,687
Receiv from officer		3,131		112,278
Refund inc taxes		457,944		—
*Inventories		2,444,303		2,779,139
Prepaid expenses		77,611		19,733
Deferred inc taxes		253,671		223,855
Current Assets	$	4,477,382	$	4,866,883
Invest in unimproved land		43,596		43,596
≠ Fixed assets		2,293,821		2,445,371
Deposits		6,680		
Total Assets	$	6,821,479	$	7,355,850

Liabilities

Bank overdraft	$	11,335	$	—
Short-term bank borrowings		—		1,350,000
Long-term debt, curr		126,200		201,541
Accts payable		822,768		455,014
Accruals		214,644		233,061
Accrued pension expense		—		142,054
Income taxes		—		5,626
Curr Liabilities	$	1,174,947	$	2,427,951
Long-term debt		4,091,740		2,130,436
Deferred inc taxes		260,340		252,714
+Common stock		363,410		379,160
Retained earnings		931,042		2,165,589
Total Liabilities & Shareholders' Equity	$	6,821,479	$	7,355,850

* At lower of cost (FIFO) or market

≠ Less accumulated depreciation

+ $0.25 par value

Statistical Summary

% Income bef. Taxes to Sales		—		9.17
% Net Income to Sales		—		6.01
% Net Income to Equity		—		17.64
Sales to Inventories		2.98		2.69
Debt to Equity		3.27		1.45
Working Capital	$	3,302,435	$	2,438,932
Current Ratio		3.81		2.00
Shareholders' Equity	$	1,294,452	$	2,544,749

New Brunswick Scientific Co., Inc.

P.O. Box 4005
44 Talmadge Road
Edison, New Jersey 08818-4005
800-631-5417
FAX: (908) 287-4222

Officers: David Freedman, chairman of the board; Ezra Weisman, president & chief executive officer; Stanley Yakatan, president & chief executive officer-UniSyn Fibertec Corp.; Samuel Eichenbaum, v.p., finance & chief financial officer; Sigmund Freedman, treasurer; Myron Tannenbaum, v.p.; Adele Lavender, corp. secretary.

Directors: David Freedman, chairman; Sigmund Freedman, Kiyoshi Masuda, Martin Siegel, Ezra Weisman, Marvin Weinstein, Ernest Gross, Stanley Yakatan, Harriet Derman, David Pramer.

Areas of Work: Manufactures a range of research apparatus and instrumentation for the growth, measurement and control of biochemical processes in the life sciences. Also manufactures controlled environment incubation equipment in a variety of models; biological shakers; research fermentors; tissue culture apparatus, and bacterial detection equipment; metering pumps, and distributed centrifugation processing equipment.

Subsidiaries:

New Brunswick Scientific International, Inc.
New Brunswick Scientific (U.K.) Limited
NBS Tech (Ltd.)
NBS GmbH
NBS Benelux B.V.
NBS Sales Company Ltd.

Koch-Light Limited
England

Packages and distributes a wide variety of chemicals and reagents used in biological and biotechnbology laboratories.

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NBSC (NASDAQ)

Number of Employees:

1990	360	1988	500
1989	410		

Plant Footage:

1990	243,000 sq. ft.	1987	243,000
1989	243,000	1986	243,000
1988	243,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 29,709,000	$ (2,715,000)
1989	37,180,000	306,000
1988	37,517,000	136,000
1987	35,621,000	(2,106,000)
1986	31,515,000	972,000

	No. of Com. Shares	Earn per Share ≠
1990	3,558,921	$ —
1989	3,523,139	0.09
1988	3,677,887	0.04
1987	3,714,756	—
1986	3,720,728	0.26

( ) Loss

≠ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 27,070,000	$ 7.61
1989	29,009,000	8.23
1988	30,631,000	8.33
1987	30,795,000	8.29
1986	31,469,000	8.46

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 29,709,000	$ 37,180,000
Cost of sales	18,117,000	22,091,000
Sell., gen. & adm. exp.	12,740,000	12,580,000
Res., devel. & eng. exp.	2,222,000	2,440,000
Interest income	(192,000)	(642,000)
Interest expense	301,000	272,000
Inc. (loss) bef. taxes	$ (3,479,000)	$ 439,000
Income taxes (credit)	(764,000)	133,000
Net Income (Loss)	$ (2,715,000)	$ 306,000

* Included in Costs and Expenses, Depreciation and Amortization: $767,000 in 1990 and $943,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 2,954,000	$ 7,363,000
Accts. receiv., net	5,225,000	7,468,000
Deferred tax benefit	756,000	912,000
Refund. inc. taxes	868,000	974,000
*Inventories	18,959,000	17,398,000
Prepaid expenses	622,000	423,000
Current Assets	$ 29,384,000	$ 34,538,000
≠Fixed assets	5,214,000	5,171,000
Other assets	700,000	892,000
Total Assets	$ 35,298,000	$ 40,601,000

Liabilities

	1990	1989
Long-term debt, curr.	$ 389,000	$ 296,000
Accts. payable & accruals	4,863,000	7,326,000
Accrued inc. taxes		816,000
Curr. Liabilities	$ 5,252,000	$ 8,438,000
Long-term debt	2,976,000	3,154,000
+ Common stock	222,000	220,000
Add. paid-in capital	19,121,000	18,858,000
Retained earnings	6,562,000	9,277,000
Cum. trans. adj.	1,165,000	654,000
Total Liabilities & Shareholders' Equity	$ 35,298,000	$ 40,601,000

* At lower of cost (FIFO or average) or market

≠ Less accumulated depreciation

+ $0.0625 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	—	1.18
% Net Income to Sales	—	0.82
% Net Income to Equity	—	1.05
Sales to Inventories	1.57	2.14
Debt to Equity	0.12	0.12
Working Capital	$ 24,132,000	$ 26,100,000
Current Ratio	5.59	4.09
Shareholders' Equity	$ 27,070,000	$ 29,009,000

Newport Corporation

18235 Mt. Baldy Circle
P.O. Box 8020
Fountain Valley, California 92708
(714) 963-9811
FAX: (714) 962-2015

Officers: Erwin Tomash, chairman; Thomas A. Galantowicz, president; Dean T. Hodges, sr. v.p.-sales & marketing; Tony Hsu, v.p.-international business development; Dennis C. Terry, v.p.-value engineering; Robert C. Hewitt, sr. v.p.-finance, secretary, treasurer; John C. AuYeung, v.p.-bio-instruments division; Nita Millstein, v.p.-organizational effectiveness.

Directors: Edward C. Berry, R.J. Aplin, C. Kumar N. Patel, Erwin Tomash, Thomas A. Galantowicz, Dan L. McGurk.

Areas of Work: The Company designs, manufactures and markets a broad line of vibration isolation table systems, related mechanical and electro-optical components, optical instruments and holographic equipment for laser research, experimentation and other sophisticated applications.

Subsidiaries:

Newport GmbH
Bleichstrasse 26
D-6100 Darmstadt, West Germany

Newport Ltd.
Pembroke House
Thompson Close
Harpenden, Herts AL5 4ES, England

Newport Instruments AG
Giessenstrasse 15
CH-8952 Schlieren, Switzerland

Newport Instruments Canada Corporation
2650 Meadowvale Boulevard #3
Mississauga, Ontario, Canada

Newport B.V.

Acquisition:

Micro-Controle, S.A.
Develops and manufactures high precision mechanical components and systems. The Company is active in the areas of motion devices, high stability materials, optics and microscopy.

Transfer Agent(s):

First Interstate Bank
Stock Transfer Administration (W11-2)
P.O. Box 54168, Terminal Annex
Los Angeles, California 90054-0168

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NEWP (NASDAQ)

Number of Employees:

1990	421	1987	341
1989	410	1986	306
1988	391		

Sales & Earnings

	Net Sales	Net Income
1990	$ 58,807,000	$ 4,658,000
1989	57,329,000	7,066,000
1988	53,449,000	7,250,000
1987	44,559,000	4,794,000
1986	40,774,000	6,269,000

	No. of Com. Shares ‡	Earn per Share ‡
1990	7,956,000	$ 0.59
1989	8,353,000	0.85
1988	8,659,000	0.84
1987	9,427,000	0.51
1986	9,420,000	0.67

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.14	—	—
1989	0.12	—	—
1988	0.06	—	—
1987	0.06	—	—
1986	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 64,311,000	$ 8.82
1989	70,550,000	8.48
1988	64,503,000	7.76
1987	69,125,000	7.33
1986	64,254,096	6.84

Income Account *

Year ended July 31	1990	1989
Net sales	$ 58,807,000	$ 57,329,000
Cost of sales	33,018,000	30,700,000
Expenses		
Sell., gen., & adm.	16,583,000	14,855,000
Res. & develop.	4,344,000	3,912,000
Other income	(1,988,000)	(2,713,000)
Income before taxes	$ 6,850,000	$ 10,575,000
Income taxes	2,192,000	3,509,000
Net Income	$ 4,658,000	$ 7,066,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,984,000 in 1990 and $2,850,000 in 1989.

Assets

As of July 31	1990	1989
Cash	$ 11,731,000	$ 18,026,000
Marketable securities	16,920,000	10,683,000
Accts. receiv., net	12,558,000	16,029,000
* Inventories	15,267,000	16,173,000
Prepaid expenses	4,332,000	2,953,000
Current Assets	$ 60,808,000	$ 63,864,000
Notes receivable	1,208,000	1,406,000
Investments	6,421,000	6,402,000
≠ Fixed assets	8,450,000	8,802,000
Other assets	260,000	280,000
Total Assets	$ 77,147,000	$ 80,754,000

Liabilities

Notes payable	$ 4,433,000	$
Accts payable	2,256,000	1,657,000
Accrued payroll	1,391,000	1,352,000
Other accruals	2,497,000	5,112,000
Income taxes	2,259,000	2,083,000
Curr Liabilities	$ 12,836,000	$ 10,204,000
+ Common stock	2,552,000	2,910,000
Add paid-in capital	8,146,000	17,554,000
Retained earnings	53,759,000	50,220,000
Unreal trans adjust	(146,000)	(134,000)
Total Liabilities & Shareholders' Equity	$ 77,147,000	$ 80,754,000

* At lower of cost (FIFO) or realizable value
# Less accumulated depreciation
+ No par value: $0.35 stated value

Statistical Summary

% Income bef Taxes to Sales	11.65	18.45
% Net Income to Sales	7.92	12.33
% Net Income to Equity	7.24	10.02
Sales to Inventories	3.85	3.54
Debt to Equity	0.07	—
Working Capital	$ 47,972,000	$ 53,660,000
Current Ratio	4.74	6.26
Shareholders' Equity	$ 64,311,000	$ 70,550,000

Newport Electronics, Inc.

2229 South Yale Street
Santa Ana, California 92704-4426
(714) 540-4914
FAX (714) 546-3022

Note: The company is 35% owned by High Technology Holding Corp.

Officers: Milton B. Hollander, chairman & chief executive officer; Scott H. Wakeman, exec. v.p. & pres.-U.S. operations; Francis G. Shinsato, v.p. & controller; James R. Lees, exec. v.p. & pres.-European operations; Arthur B. Crozier, secretary.

Directors: Milton B. Hollander, Frederick Ezekiel, Frederick Ross, Ralph Michel, Arthur B. Crozier.

Areas of Work: Engaged in the design, manufacture and marketing of precision digital electronic measurement and control instruments, including digital panel voltmeters and digital temperature meters. Also manufactures complementary products such as two-wire transmitters, counters, other panel meters, printers, comparators, remote digital displays and a digital bus controller.

Subsidiaries:

Newport Electronics International, Inc. (FSC)
Santa Ana, California

Newport Electronics GmbH
7269 Deckenpfronn
Gaustrasse 28-30, Republic of Germany

Newport Electronique S.A.R.L.
9, rue Denis Papin
78190 Trappes, France

Newport Electronics B.V.
Postbus 8034
1180 LA Amstelveen
The Netherlands

Newport Electronics Ltd.
Cavendish Road
Stevenage, Hertfordshire SG1 2ET, United Kingdom

Transfer Agent(s):

U.S. Stock Transfer Corporation
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NEWE (NASDAQ)

Number of Employees:

1990	233	1987	218
1989	190	1986	207
1988	239		

Plant Footage:

1990	66,600 sq. ft.	1987	40,000
1989	66,600	1986	40,000
1988	66,000		

Sales & Earnings

	Net Sales +	Net Income †
1990	$ 19,401,000	$ 655,000
1989	17,345,000	(1,365,000)
1988	17,040,000	471,000
1987	14,958,000	661,000
1986	13,259,000	537,000

	No. of Com. Shares	Earn. per Shares †x
1990	1,056,808	$ 0.58
1989	1,158,308	—
1988	1,110,468	0.41
1987	1,079,019	0.54
1986	1,173,333	0.44

(Loss)
+ Of continuing operations only
† Including extraordinary gain of $26,000 ($0.02 per share) in 1986
x Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 5,434,000	$ 5.14
1989	5,172,000	4.47
1988	6,346,000	5.71
1987	5,783,000	5.36
1986	5,425,000	4.62

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 19,401,000	$ 17,345,000
Cost of sales	9,152,000	9,434,000
Sell., gen., and adm. exp.	7,903,000	7,618,000
Res. & develop.	1,139,000	1,180,000
Interest expense	427,000	478,000
Inc. (loss) bef. taxes	$ 780,000	$ (1,365,000)
Income taxes	125,000	—
Net Income (Loss)	$ 655,000	$ (1,365,000)

* Included in Costs and Expenses, Depreciation and Amortization: $816,000 in 1990 and $742,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 870,000	$ 718,000
Accts receiv., net	3,394,000	3,531,000
*Inventories	4,123,000	2,379,000
Restricted cash	—	1,215,000
Other curr. assets	647,000	271,000
Current Assets	$ 9,034,000	$ 8,114,000
Restricted cash	1,215,000	—
#Fixed assets	6,789,000	7,128,000
Other assets	261,000	677,000
Total Assets	$ 17,299,000	$ 15,919,000

Liabilities

Notes payable	$ 1,250,000	$ 1,750,000
Long-term debt, curr	200,000	6,425,000
Accts payable	3,320,000	1,443,000
Accruals	849,000	992,000
Current Liabilities	$ 5,619,000	$ 10,610,000
Deferred income taxes	146,000	137,000
Long-term notes pay	6,100,000	—
+Common stock	10,000	11,000
Add paid-in capital	1,186,000	1,578,000
Retained earnings	4,238,000	3,583,000
Total Liabilities & Shareholders' Equity	$ 17,299,000	$ 15,919,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.01 par value

Statistical Summary

% Income bef Taxes to Sales	4.02	—
% Net Income to Sales	3.38	—
% Net Income to Equity	12.05	—
Sales to Inventories	4.71	7.29
Debt to Equity	1.39	1.58
Working Capital	$ 3,415,000	—
Current Ratio	1.61	—
Shareholders' Equity	$ 5,434,000	$ 5,172,000

Nicolet Instrument Corporation

5225 Verona Road
Madison, Wisconsin 53711-4495
(608) 271-3333
FAX: (608) 273-6818

Officers: O.E. Powers, chairman, president & chief exec. officer; Peter McKane, exec. v.p.-chief operating officer; Richard J. Cushing, vice president; Robert C. Joseph, sr. v.p.-chief technology officer; Dale C. Davig, v.p.; Kurt Hecox, v.p.; Alan Lord, v.p.; Mark R. Parman, v.p.; Robert Terrio, v.p.; David B. Wescoe, v.p., general counsel & secretary; Gerald G. Brew, v.p. & corp. controller.

Directors: I.V. Ackman, John G. Bollinger, Jeanette Grasselli, Odell E. Powers, John Nils Hanson, Roger L. Headrick, Richard W. Schoenke, Gordon M. Sprenger, Peter S. Willmott.

Areas of Work: Designs, manufactures and markets electronic instruments for measurement, analysis and display applications. Analytical instruments include infrared spectrometers, data acquisition systems, mass spectrometers, and x-ray diffractometers and imaging systems; Test instruments include digital oscilloscopes, integrated development instruments, logic analyzers and related accessories; Biomedical instruments include electro-diagnostic testing systems, medical data acquisition systems and related accessories. Also produces hearing diagnostic equipment and hearing aid devices.

Divisions and Subsidiaries:

Nicolet X-Ray Products
5225 Verona Road
Madison, Wisconsin 53711

Nicolet Instrument GmbH
Senefelderstrasse 162
D-6050 Offenbach am Main, West Germany

Nicolet Instruments Limited
Budbrooke Road
Warwick, Warwickshire CV34 5XH, England

Nicolet Instrument Canada Limited
1-1200 Aerowood Drive
Mississauga, Ontario L4W 2S7, Canada

Nicolet Analytical Division
5225 Verona Road
Madison, Wisconsin 53711

Nicolet Instrument Corporation

Nicolet Biomedical Division
5225 Verona Road
Madison, Wisconsin 53711
(608) 271-3333

Test Instruments Division
Madison, Wisconsin
Manufactures digital oscilloscopes and logic analyzers as well as disk drive testers, in-circuit emulators, and application-specific test systems.

Audiodiagnostics Division
Manufactures hearing diagnostic equipment as well as improved hearing aid devices.

Nicolet Japan Corporation
Daisho Building 8-7-6 Chome
Nishi-Nakajima, Yodogawa-ku
Osaka 532, Japan

Nicolet Instrument S.A.R.L.
Z-1 Les Gatines
Rue Elsa Triolet
78370 Plaisir, France

Nicolet Instrument-FSC, Inc.
U.S. Virgin Islands

Nicolet Xentronics Corporation
Manufactures area detectors and other accessories for the X-ray diffraction market.

Braintech, Inc.
Developing BEAM (Brain Electrical Activity Mapping) technology.

Nicolet Paratronics Corporation
Manufacturer of logic analyzers.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): New York

Ticker Symbol: NIC

Number of Employees:

1991	1,000	1988	1,212
1990	1,000	1987	1,128
1989	1,015		

Plant Footage:

1991	284,700 sq. ft.	1989	284,700
1990	284,700		

Sales & Earnings

		Net Sales +		Net Income
1991	$	132,116,000	$	5,221,000
1990		125,915,000		3,315,000
1989		133,761,000		(20,697,000)
1988		143,746,000		(4,368,000)
1987		120,203,000		14,469,000

	No. of Com. Shares ≠		Earn. per Share ≠
1991	6,800,000	$	0.77
1990	6,700,000		0.50
1989	6,500,000		—
1988	6,500,000		—
1987	6,600,000		2.19

(Loss)
+ Of continuing operations only.
≠ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1991	$	—	—	—
1990			—	—
1989		—	—	—
1988		—	—	—
1987		0.09	—	—

Common Stock Equity

		Total Equity		Equity Per Share
1991	$	62,027,000	$	9.10
1990		55,975,000		8.36
1989		52,181,000		7.86
1988		70,273,000		11.05
1987		78,586,000		12.02

Income Account *
(000's)

Year ended		3/31/91		3/30/90
Revenues:				
Equipment sales	$	114,250	$	110,716
Service & other revenues		17,866		15,199
Total revenues	$	132,116	$	125,915
Cost of revenues		65,033		60,899
Expenses		58,276		57,094
Loss from invest. in joint venture		—		615
Interest income		(226)		(323)
Interest expense		1,837		2,123
Income before taxes	$	7,196	$	5,507
Income taxes		1,975		1,377
Inc. cont. oper.	$	5,221	$	4,130
Loss-discont. oper.		—		(815)
Net Income	$	5,221	$	3,315

* Included in Costs and Expenses, Depreciation and Amortization: $4,805,000 in 1990 and $6,053,000 in 1989.

Assets
(000's)

As of		3/31/91		3/30/90
Cash & cash equiv.	$	7,031	$	5,183
Accts. receiv., net		32,662		32,393
Recov. inc. taxes		346		523
*Inventories		36,573		38,127
Deposits		1,508		1,074
Sundry		1,638		1,177
Current Assets	$	79,758	$	78,477
≠Fixed assets		20,279		20,461
Intangibles, net		3,111		4,580
Other assets		3,817		1,691
Total Assets	$	106,965	$	105,209

Liabilities
(000's)

Notes payable	$	1,667	$	1,078
Long-term debt, curr.		1,000		1,000
Accts. payable		8,847		8,843
Employee compens.		4,341		3,942
Income taxes		2,284		2,600
Unearned revenue		3,940		3,857
Accrued warranties		1,791		1,761
Other accruals		5,377		6,784
Curr. Liabilities	$	29,247	$	29,865
Long-term debt		14,317		18,210
Other liabilities		1,374		1,159
+Common stock		1,703		1,674
Add. paid-in capital		43,668		42,834
Retained earnings		17,090		11,869
Unearned comp.		(790)		(766)
Cum. trans. adj.		356		364
Total Liabilities & Shareholders' Equity	$	106,965	$	105,209

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales		6.30		—
% Net Income to Sales		4.57		—
% Net Income to Equity		8.42		5.92
Sales to Inventories		3.12		2.90
Debt to Equity		0.27		0.36
Working Capital	$	50,511,000	$	48,612,000
Current Ratio		2.73		2.63
Shareholders' Equity	$	62,027,000	$	55,975,000

Nippon Mining Company, Limited

10-1, Toranomon 2-chome, Minato-ku
Tokyo 105, Japan
03-505-8111
FAX: 03-505-8094

Directors: Yukio Kasahara, chairman of the board & representative director; Tatsuo Nakamura, president & representative director; Hironori Kohno, exec. v.p.; Shin-ichi Ishigaki, exec. v.p.; sr. managing directors: , Hiroshi Yasui, Masakazu Yuasa, Takashi Sakamoto, Takeji Fukuda, Yutaka Yuge, Ishio Miyazawa, managing directors: , Kensaburo Matsuda, Hidenao Munetaka, Hideo Hirayama, Kimihiko Imai, Akihiko Nomiyama, Jun Asanuma, Directors: , Ichiro Tsuboya, Yasuo Ikeda, Yoichi Arai, Takeshi Matsuda, Shigenari Ishii, Keiji Komatsu, Hiromasa Daiguji, Hiroshi Saito, Hirokazu Sawayama, Yuichi Sato, Ken Irino, Yasuyuki Shimizu, Takashi Nakagawa, Mitsuhiko Kohno, Masuo Kasahara.

Areas of Work: The Company is engaged in nonferrous metal mining, smelting and refining, natural gas production, production of chemicals, petroleum refining, petrochemical production, nonferrous metal and special alloy fabrication, and electonic and specialty metal production.

Consolidated Subsidiaries:

Nikko Shoji Co., Ltd.
Trading and marketing

Nikko Consulting and Engineering Co., Ltd.
Engineering, planning, surveying and consulting

Toyoha Mines Co., Ltd.
Mining (gold, silver, lead, zinc)

Tomakomai Chemical Co., Ltd.
Production of sulphuric acid

Nikko Liquefied Gas Co., Ltd.
Import, storage and sales of LPG

Nikko Oil Sales Co., Ltd.
Marketing of petroleum products

Nippon Marine Co., Ltd.
Marine transportation

Nippon Mining (Bermuda) Ltd.
Marketing of crude oil and petrochemical products

Chita Oil Co., Ltd.
Marketing of aromatic petrochemical products

Nikko Zinc Co., Ltd.
Manufacture of zinc

NMC Finance Co., Ltd.
Financial business

Nikko Exploration and Development Co., Ltd.
Consulting for surveys and exploration of nonferrous metals, geological surveys.

Toranomon Tower Building Co., Ltd.
Possession, supervising and leasing of real estate

Cactus Kasei Co., Ltd.
Marketing of chemicals and petroleum products

Petrocokes Ltd.
Manufacture of petroleum coke.

Nikko Gould Foil Co., Ltd.
Manufacture of copper foil

Nippon Mining U.S. Inc.
Holding company of Gould Inc.

Gould Inc.
(including 25 subsidiaries)
Manufacture of electronic materials and components.

Number of Employees:

1990 5,387 1989 5,358

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	¥1,015,878,000	¥ 2,561,000
1989	863,276,000	13,679,000
1988	807,192,000	7,487,000

	No. of Com. Shares	Earn. per Share +
1990	886,074,000	¥ 2.93
1989	865,688,000	16.54
1988	788,111,000	9.50

¥ - Yen
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989	1988
Petroleum products	55.6%	58.3%	64.8%
Nonferrous metals, precious metals & sulfuric acid	22.5	23.8	20.3
Fabricated metal prods.	7.1	7.8	6.2
Electronic & specialty metals	9.9	4.9	3.1
Other	4.9	5.2	5.6
Total	100.0%	100.0%	100.0%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 5.37	—	—
1989	7.64	—	—
1988	4.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	¥ 153,903,000	¥ 173.69
1989	147,191,000	170.03
1988	96,825,000	122.86

Income Account
(000's)

Year ended Mar. 31	1990	1989
Net sales	¥1,015,878,000	¥ 863,276,000
Cost of sales	882,999,000	759,355,000
Expenses	84,826,000	63,269,000
Interest expense	36,843,000	24,354,000
Interest income	(10,639,000)	(6,445,000)
Other income	(322,000)	(4,439,000)
Special items	8,901,000	6,163,000
Income before taxes	¥ 13,270,000	¥ 21,019,000
Income taxes	11,512,000	9,626,000
Minority interest	(203,000)	464,000
Amort. of cost in exc. of assets of subsid.	—	680,000
Eq. in earn. of subsid.	(600,000)	(3,430,000)
Net Income	¥ 2,561,000	¥ 13,679,000

Assets
(000's)

As of Mar. 31	1990	1989
Cash & time deposits	¥ 66,990,000	¥ 89,834,000
Marketable securities	41,886,000	44,905,000
Accts. receiv., net	221,290,000	167,488,000
*Inventories	136,897,000	124,065,000
Other curr. assets	40,139,000	33,107,000
Current Assets	¥ 507,202,000	¥ 459,399,000
Investments	122,562,000	130,480,000
≠Fixed assets	272,390,000	244,943,000
Intangibles	106,060,000	96,608,000
Defer. charges	1,755,000	984,000
Translation adjustment	985,000	—
Other assets	3,571,000	1,364,000
Total Assets	¥1,014,485,000	¥ 935,778,000

Liabilities
(000's)

	1990	1989
Short-term borrowings	¥ 239,794,000	¥ 267,613,000
Long-term debt, curr.	48,036,000	30,077,000
Accts. payable	110,513,000	107,951,000
Accruals	29,884,000	34,426,000
Accrued income taxes	17,179,000	17,929,000
Other current liabilities	60,803,000	29,135,000
Current Liabilities	¥ 506,209,000	¥ 487,131,000
Long-term debt	305,668,000	263,223,000
Minority interest	513,000	708,000
Accrued severance benefits	13,039,000	13,032,000
Allow. for repairs	1,879,000	1,100,000
Other liabilities	33,274,000	17,301,000
Translation adjustment	—	6,092,000
+Common stock	69,514,000	61,869,000
Add. paid-in capital	38,896,000	31,251,000
Legal reserve	7,528,000	7,041,000
Retained earnings	37,970,000	47,256,000
Treasury stock	(5,000)	(226,000)
Total Liabilities & Shareholders' Equity	¥1,014,485,000	¥ 935,778,000

* At cost (primarily LIFO). Precious metals at FIFO.
≠ Less accumulated depreciation
+ ¥ 50 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	1.31	2.43
% Net Income to Sales	0.25	1.58
% Net Income to Equity	1.66	9.29
Sales to Inventories	7.42	6.96
Debt to Equity	3.86	3.81
Working Capital (000's)	¥ 993,000	—
Current Ratio	1.00	—
Shareholders Equity (000's)	¥ 153,903,000	¥ 147,191,000

North American Philips Corporation

100 East 42nd Street
New York, New York 10017
(212) 850-5000
FAX: (212) 850-5362

(As of November 2, 1987, the Company became an indirect wholly owned subsidiary of N.V. Philips of the Netherlands.)

Officers: J. D. Timmer, president & chairman of the board; K. Hubee, v.p. & vice chairman; Y. G. Bouwkamp, v.p. & vice chairman; S. van Houton, H.H.A. Appelo, W. de Kleuver, T. Meyer, E. Kloster, H. Bodt.

Directors: W. Dekker, A. Leysen, A. Jiskoot, N. Rodenburg, Sir Peter Carey, C.M. Mueller, P. Leenman, F.X. Ortoli, M. Kuilman, J. F. Bennett, P.G. Gyllenhammar, W. Hilger, G. Jeelof.

Areas of Work: The Company is engaged in four basic areas: consumer products, electrical/electronic components, lighting products, and professional equipment. Products included Magnavox, Philco and Sylvania home entertainment products, Norelco electric razors and coffee makers, Philips lamps, medical systems, and electronic instruments, Genie garage door openers, Ohmitre resistors, Dialight indicators, Selmer musical instruments, and Plumbicon TV camera tubes, among others.

Divisions and Subsidiaries:

Advance Transformer Company
2950 North Western Avenue
Chicago, Illinois 60618
Ballasts for fluorescent and high intensity discharge lamps; dimming and control systems; power units for microwave cooking.

Amperex Electronic Corporation
Slatersville, Rhode Island
Electron tubes, electro-optical devices; semiconductors; integrated circuits; electronic components.

Norelco Consumer Products Division
Stamford, Connecticut
Norelco electric shavers, hearing aids, personal care and home appliances; electrical housewares; tape recorders and blank cassettes; AKG microphones and headphone; Norelco Service, Inc. for service, parts and accessories.

Philips Consumer Electronics Company
Knoxville, Tennessee
Manufactures home entertainment products including complete television-stereo consoles, radio-phonograph components and components systems, portable table and clock radios, tape recorders, cassette changers and accessories.

Magnavox Government and Industrial Electronics Company
1700 Magnavox Way
Fort Wayne, Indiana 46804
Engaged in the areas of defense communications, minicomputers and computer terminals, airborne submarine surveillance systems and position-location and navigation systems.

Magnavox Advanced Products and Systems Company
Torrance, California

Magnavox Electronic Systems Company
Fort Wayne, Indiana

Airpax Corporation
Cheshire Industrial Park
Cheshire, Connecticut 06410
Electro-mechanical and electronic timing and control systems; timing, control and stepper motors; aircraft timing systems; microminiature and subminiature electro-mechanical and electronic relays.

Philips Lighting Company
Somerset, New Jersey
Mercury vapor lamps, sodium lighting products, reflector-type lamps; projections lamps for movies and slides; spotlights and floodlights; flashbulbs; miniature and subminiature lamps; special discharge lamps; lighting fixtures.

Philips Business Systems, Inc
Woodbury, New York 11797
Dictation systems including desk, portable and pocket models; intercom equipment, pocket paging systems; office computers and peripherals

Philips Electronic Instruments, Inc
Mahwah, New Jersey 11797
Analytical instrumentation and systems; transmission electron microscopes; X-ray diffraction and spectropraphic equipment; X-ray radiographic equipment; IRS, UV, VIS and AA spectrophotometers; liquid chromatographs; air and water polllution monitors; X-ray baggage inspection equipment; canning electron microscopy

Mepco/Centralab, Inc
Rivera, Florida

Philips Laboratories
345 Scarborough Road
Briarcliff Manor, New York 10510
Research and development in electro-optics with related programs in solid state electronics and instrumentation

Philips Display Components Company, Inc
Ann Arbor, Michigan

Magnavox CATV Systems, Inc
Manlius, New York

Philips Medical Systems North America
710 Bridgeport Avenue
Shelton, Connecticut 06484
Diagnostic and therapeutic X-ray systems for medical, dental, podiatry and veterinary applications; medical electronic systems; hospital planning and equipment and supplies consulting

Number of Employees:

1990	48,600	1987	56,800
1989	52,000	1986	50,400
1988	57,200		

Plant Footage:

1990	23,015,000 sq. ft	1988	17,000,000
1989	N.A.	1987	20,860,000

N.A.—Not Available

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 6,119,000	$ (645,700)
1989	6,187,900	(191,100)
1988	5,903,200	(6,900)

	No. of Com. Shares	Earn. per Share
1990	1,243	—
1989	1,243	—
1988	1,243	—

(Loss)

Revenues by Line of Business
(000's)

	1990	1989
Consumer products		
Consumer electronics	$ 1,936,600	$ 1,937,400
Electrical consumer prods	884,800	946,900
Additional consumer prods	22,000	67,300
Electrical & electronic comp	1,627,000	1,619,000
Professional equipment	1,648,600	1,617,300
Total	$ 6,119,000	$ 6,187,900

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 894,500	—
1989	1,337,900	—
1988	1,585,200	—
1987	1,339,500	—

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 6,119,000	$ 6,187,900
Cost of sales	5,199,500	5,222,500
Expenses	1,173,200	1,082,200
Interest expense	81,600	73,900
Restruc. of oper	339,900	6,100
Other expense	6,100	5,800
Loss before taxes	$ (681,300)	$ (202,600)
Tax credit	(33,500)	(10,400)
Minority interest	(2,100)	(1,100)
Net Loss	$ (645,700)	$ (191,100)

* Included in Costs and Expenses, Depreciation and Amortization: $219,300,000 in 1990 and $210,400,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv	$ 102,200	$ 48,000
Accts. & notes receiv., net	720,300	1,021,100
*Inventories	1,080,700	1,299,100
Prepaid expenses	55,500	41,100
Due from affil. of N.V. Phil	96,500	77,900
Current Assets	$ 2,055,200	$ 2,487,200
≠Fixed assets	1,155,000	1,173,300
Other assets	167,100	167,100
Total Assets	$ 3,377,300	$ 3,827,600

Liabilities
(000's)

	1990	1989
Notes payable	$ 297,000	$ 270,500
Accts. payable	263,100	331,700
Accruals & other curr. liabilities	916,400	632,700
Due to N.V. Philips & affils	198,200	220,800
Curr. Liabilities	$ 1,674,700	$ 1,455,700
Long-term debt	385,800	739,400
Other liabilities	210,300	82,600
+Redeem. pref. stock	212,000	212,000
Add. paid-in capital	1,147,100	947,100
Retained earnings (deficit)	(252,600)	390,800
Total Liabilities & Shareholders' Equity	$ 3,377,300	$ 3,827,600

* At lower of cost (FIFO) or market. Consumer electronics and a portion of electrical consumer products at LIFO
≠ Less accumulated depreciation
+ $1 par value

Statistical Summary

	1990	1989
Sales to Inventories	5.66	4.76
Debt to Equity	0.76	0.75
Working Capital	$ 380,500,000	$ 1,031,500,000
Current Ratio	1.23	1.71
Shareholders' Equity	$ 894,500,000	$ 1,337,900,000

North Atlantic Industries, Inc.

60 Plant Avenue
Hauppauge, New York 11788-3890
(516) 582-6500
FAX (516) 582-8652

Officers: Robert A. Carlson, president and chief executive officer; William Bouverie, v.p.-engineering; Joseph Flaherty, v.p.-marketing; Richard A. Schneider, v.p.-finance; Kenneth R. Kanter, v.p.-operations

Directors: Walter Lipkin, Malcolm D. Widenor, John D. May, Robert Rosenthal, Robert A. Carlson, Stephen Barre, C. Shelton James

Areas of Work: Manufactures electronic instrumentation for the measurement of complex A.C. signals; manufactures computer peripherals, printers, and angle position indicators.

Divisions and Subsidiaries:

Printer Products Division
Engaged in the production of dot matrix, Tempest dot matrix and Tempest laser printers

Instrument Division
Instrument products include specialized analog/digital signal processing equipment used for measurement test, control and maintenance in the aerospace, military and commercial avionic markets

Military Products Division
Designs, develops and markets militarized computer peripherals.

Acquisition:

Mesa Systems Division
Integration and sale of computer systems which are customized to meet "Rugged" and "Tempest" requirements of Department of Defense applications.

Transfer Agent(s):

The American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NATL (NASDAQ)

Number of Employees:

1990	350	1987	355
1989	331	1986	516
1988	319		

Plant Footage:

1990	105,000 sq. ft.	1987	154,000
1989	131,000	1986	154,000
1988	131,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 42,057,000	$ 3,089,000
1989	33,686,000	(1,938,000)
1988	32,320,000	1,019,000
1987	32,698,000	(5,884,000)
1986	35,242,000	1,409,000

	No. of Com. Shares +	Earn. per Share +
1990	3,568,000	$ 0.87
1989	3,485,000	—
1988	3,487,000	0.29
1987	3,559,000	—
1986	3,559,000	0.40

(Loss)
+ Based on the average number of common shares outstanding

Common Stock Equity

		Total Equity		Equity Per Share +
1990	$	14,946,000	$	4.19
1989		11,713,000		3.36
1988		13,592,000		3.90
1987		12,573,000		3.53
1986		18,238,000		5.12

+ Based on the average number of common shares outstanding

Income Account *

Year ended Dec. 31		1990		1989
Net sales	$	42,057,000	$	33,686,000
Cost of sales		29,768,000		23,980,000
Expenses		7,818,000		7,789,000
Restruc. costs		—		2,275,000
Interest income		(15,000)		(224,000)
Interest expense		608,000		681,000
Other expense		244,000		1,023,000
Inc. (loss) bef. taxes	$	3,634,000	$	(1,838,000)
Income taxes		545,000		100,000
Net Income (Loss)	$	3,089,000	$	(1,938,000)

* Included in Costa and Expenses, Depreciation and Amortization: $1,154,000 in 1990 and $1,158,000 in 1989.

Assets

As of Dec. 31		1990		1989
Cash	$	1,259,000	$	1,293,000
Accts. receiv., net		10,926,000		4,390,000
*Inventories		11,112,000		9,351,000
Other curr. assets		268,000		295,000
Current Assets	$	23,565,000	$	15,329,000
#Fixed assets		8,243,000		7,292,000
Exc. of cost over assets acq.		600,000		—
Other assets		556,000		426,000
Total Assets	$	32,964,000	$	23,047,000

Liabilities

		1990		1989
Notes payable	$	8,000,000	$	1,900,000
Long-term debt, curr.		1,283,000		495,000
Accts. payable		3,161,000		2,132,000
Accrued payroll & commissions		170,000		194,000
Other accruals		2,728,000		1,457,000
Deferred income taxes		647,000		292,000
Accrued restruc. costs		212,000		1,850,000
Curr. Liabilties	$	16,201,000	$	8,320,000
Long-term debt		1,817,000		3,014,000
+Common stock		353,000		349,000
Add. paid-in capital		7,657,000		7,517,000
Retained earnings		6,946,000		3,857,000
Treasury stock		(10,000)		(10,000)
Total Liabilities & Shareholders' Equity	$	32,964,000	$	23,047,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

		1990		1989
% Income bef. Taxes * to Sales		8.64		—
% Net Income to Sales		7.34		—
% Net Income to Equity		20.67		—
Sales to Inventories		3.78		3.60
Debt to Equity		0.74		0.46
Working Capital	$	7,364,000	$	7,009,000
Current Ratio		1.45		1.84
Shareholders' Equity	$	14,946,000	$	11,713,000

North Hills Electronics, Inc.

(The Company was acquired by Porta Systems Corp., Jan. 2, 1991.)

1 Alexander Place
Glen Cove, New York 11542
(516) 671-5700
FAX (516) 759-3327

Officers: Leo Staschover, chairman; Howard G. Anders, president & treasurer; John F. Wilkens, secretary.

Directors: Leo Staschover, chairman; Howard G. Anders, Joe P. Schindler, Morton Langer.

Areas of Work: Engaged in the design, development, manufacture and sale of high voltage and high current electronic power products and sources, computer networking and wideband signal processing devices.

Divisions:

Communications Products Division
Power Products Division
Special Products Division

Subsidiaries:

Displex, Inc.
Glen Cove, New York
Markets uninterruptible power supplies and a series of power line conditioners.

North Hills Israel, Ltd.
38 Hayashim Street
Yokneam, Israel
Designs and manufactures Mil-Spec power supplies.

North Hills Trading, Ltd.
38 Hayashim Street
Yokneam, Israel
Functions as a sales representative for several U.S. companies, including North Hills Electronics.

Transfer Agent(s):

American Stock Transfer
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NOHL (NASDAQ)

Number of Employees:

1990	120	1987	N.A.
1989	190	1986	95
1988	150		

Plant Footage:

1990	49,000 sq. ft.	1987	N.A.
1989	49,000	1986	24,000
1988	32,000		

N.A. - Not Available

Sales & Earnings

		Net Sales †		Net Income	No. of Com. Shares		Earn. per Share # ·
1990	$	12,744,478	$	338,965	2,686,812	$	0.13
1989		12,083,860		339,821	2,686,812		0.13
1988		8,337,000		(477,787)	2,686,412		—
1987		4,102,000		(1,278,546)	2,654,412		—
1986		2,471,000		(844,870)	2,654,412		—

(Loss)
† Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	5,290,492	$	1.97
1989		4,951,527		1.84
1988		4,611,006		1.72
1987		5,026,659		1.89
1986		6,301,699		2.37

Income Account *

Year ended Jan. 31		1990		1989
Net sales	$	12,744,478	$	12,083,860
Cost of sales		7,352,094		7,222,594
Expenses		4,406,261		4,060,595
Other income		(2,474)		(34,426)
Interest expense		590,405		447,276
Income bef. taxes	$	398,465	$	387,821
Income taxes		59,500		48,000
Net Income	$	338,965	$	339,821

* Included in Costs and Expenses, Depreciation and Amortization: $416,994 in 1990 and $435,032 in 1989.

Assets

As of Jan. 31		1990		1989
Cash & cash equiv.	$	328,892	$	531,282
Accts. receiv., net		2,318,815		2,000,233
*Inventories		5,520,133		3,980,517
Refundable income taxes		17,136		9,171
Prepaid expenses		405,739		280,354
Current Assets	$	8,590,715	$	6,801,557
#Fixed assets		3,399,677		3,392,460
Goodwill		394,864		406,744
Deferred charges		374,680		142,447
Other assets		813,771		316,072
Total Assets	$	13,573,707	$	11,059,280

Liabilities

		1990		1989
Long-term debt, curr.	$	84,000	$	164,644
Notes payable		—		1,951,267
Accts. payable		1,091,191		971,221
Accruals		616,095		411,519
Due to related parties		135,000		—
Curr. Liabilities	$	1,926,286	$	3,498,651
Long-term debt		6,356,929		2,609,102
+Common stock		26,868		26,868
Add. paid-in capital		4,688,516		4,688,516
Retained earnings		575,108		236,143
Total Liabilities & Shareholders' Equity	$	13,573,707	$	11,059,280

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales		3.13		3.21
%Net Income to Sales		2.66		2.81
%Net Income to Equity		6.41		[illegible]
Sales to Inventories		2.31		3.04
Debt to Equity		1.22		1.02
Working Capital	$	6,664,429	$	3,302,906
Current Ratio		4.46		1.94
Shareholders' Equity	$	5,290,492	$	4,951,527

Northern Telecom Limited

(52.5% owned by BCE Inc.)

3 Robert Speck Parkway
Mississauga, Ontario, Canada L4Z 3C8
(416) 897-9000
FAX: (416) 275-1143

Officers: Paul George Stern, chairman, president & chief executive officer; David G. Vice, vice chairman-products & technology; Edward Ernaldo Lucente, sr. v.p.-marketing; John A. Roth, sr. v.p. & pres.-Wireless Systems; Richard Paul Faletti, sr. v.p. & president-Private Networks; Desmond Findlay Hudson, sr. v.p. & pres.-STC/Northern Telecom Europe; Alan George Lutz, sr. v.p. & pres.-Public Networks; John Duncan MacDonald, sr. v.p. & pres.-Northern Telecom Asia/Pacific; Roy Merrills, sr. v.p. & pres.-Northern Telecom United States; Gedas Apolinaras Sakus, sr. v.p. & pres.-Northern Telecom Canada; George Clarkson Smyth, sr. v.p. & president-Bell Northern Research; Clive V. Allen, sr. v.p. & gen. counsel; J. Derek M. Davies, sr. v.p.-corporate strategy; John P. Strimas, v.p.-corp. relations; Gary R. Donahee, sr. v.p.-human resources; Martin G. Mand, sr. v.p.-finance & chief financial officer; Margaret G. Kerr, v.p.-environment, health and safety; Anthony J. Lafleur, v.p. & associate general counsel; David L. Burn, v.p.-taxation; David Roderick Cox, v.p.-information systems & chief information officer; James E. Wilkinson, v.p. & treasurer; Robert N. Neumeister, Jr., v.p. & controller; Donald James DeGrandis, secretary

Directors: Ian A. Barclay, O. Bradford Butler, A. Jean de Grandpre, Edmund B. Fitzgerald, Donald S. Harvie, Robert S. Hurlbut, Donald J. Schuenke, W. F. Light, P.F. Oreffice, C. Perrault, E. Peter Lougheed, W. M. Robinson, Jr., Bowie K. Kuhn, David G. Vice, J. Peter Gordon, Betty Kennedy, Sir David L. Nicolson, Frank C. Carlucci, III, J. V. Raymond Cyr

Areas of Work: Electromechanical and electronic analog and digital switching systems; cable systems; optoelectronic systems; channel banks; repeaters; fuses; relays; dryreed relays; power equipment; printed-circuit boards and packs; step-by-step switching systems; sheet metal and piece parts; networks and sensors; residential and business telephones and components; electronic equipment and test sets; analog and digital transmission equipment; multiplex, voice frequency and radio equipment; capacitors; protectors; custom large-scale-integrated circuits; distributed data processing terminals and systems; disks and disk storage devices; video displays, printers, magnetic tape drives, software development, printed circuit boards, on-line terminal systems, remote batch and multifunction terminal systems; private switching networks; test equipment; data communications diagnostic systems; analog and digital private branch exchanges

Divisions and Subsidiaries:

Bell-Northern Research Ltd. (70% owned)
3500 Carling Avenue
Ottawa, Ontario K2H 8E9, Canada
(613) 763-2211

Northern Telecom Electronics Limited
185 Corkstown Road
Nepean, Ontario K2H 8V4 Canada

STC PLC
1B Portland Place
London W1N 3AA, England

Brock Telecom Limited
100 Strowger Boulevard
Brockville, Ontario K6V 5W8 Canada

Prism Systems Inc.
140 13551 Commerce Parkway
Richmond, British Columbia V6V 2L1 Canada

BNR Inc.
685A East Middlefield Road
Mountain View, California 94043
(415) 969-9170

BNR LIMITED
BNR Park
Concorde Road
Norreys Drive
Maidenhead, Berkshire SL6 4AG, England
(44)(628)77077

Netas-Northern Electric Telekomunikasyon A.S. (31% owned)
Alemdag Caddesi
Umraniye 81244 Istanbul, Turkey

Northern Telecom World Trade Corporation
304 The East Mall
Islington, Ontario M9B 6E4, Canada
(416) 232-2000

NorTel Australia Pty. Limited
Level 2, 17 Orion Road
Lane Cove, New South
Wales, Australia
(61) 24288777

Northern Telecom (Asia) Limited
16th floor, Sun Hung Kai Centre
30 Harbour Road, Wanchai
Hong Kong
(852)5831-2888

Northern Telecom (CALA) Corporation
14645 N. W. 77th Avenue
Miami Lakes, Florida 33014
(305) 526-8400

Northern Telecom Canada Limited
2920 Matheson Boulevard East
Mississauga, Ontario L4W 4M7, Canada
(416) 238-7000

Northern Telecom Finance Corporation
Northern Telecom Plaza
220 Athens Way
Nashville, Tennessee 37228-1399
(615) 734-5200

Northern Telecom Inc.
Northern Telecom Plaza
220 Athens Way
Nashville, Tennessee 37228-1803
(615) 734-4000

Northern Telecom Industries Sdn. Bhd.
Bayan Lepas
Free Trade Zone, Phase I
Penang, West Malaysia

NT Meridian S.A.
16 Place De l'Iris
Cedex 13
92082 Paris La Defense, France
33-1-4907-2424

Northern Telecom (Ireland) Limited
Mervue Industrial Estate
Galway, Republic of Ireland

Northern Telecom International Finance B.V.
Daalmeerstratt 4
2131 HC, Hoofddorp
Hoofddorp, The Netherlands

Northern Telecom Europe Limited
London W1X 5LB, England

Tong Guang-Nortel Limited Liability Company (55% owned)
300 Crystal Garden Centre
8 Tai Zi Road
Shekou, Shenzhen, People's Republic of China

Northern Telecom GmbH
Lyoner Strasse 30
6000 Frankfurt am Main 71, West Germany

Northern Telecom Japan Inc.
Oak Minami Azabu Building
19-23 Minami Azabu
3-chome, Minato-ku, Tokyo 106, Japan

Transfer Agent(s):

Corporate Offices
800 Square Victoria, Suite 250
Montreal, Quebec H4Z 1A2 Canada

Corporate Offices
483 Bay Street
Floor 2, South Tower
Toronto, Ontario M5G 2E1 Canada

Montreal Trust Company
Montreal, Halifax, Winnipeg, Toronto, Regina, Calgary & Vancouver, Canada

Manufacturers Hanover Trust Company
New York, New York

Continental Bank, National Association
Chicago, Illinois

The Royal Trust Company
London, England

Stock Exchange(s): Montreal, New York, Toronto, Vancouver, London (U.K.), Tokyo

Ticker Symbol: NT (New York); NTL (Montreal, Toronto, Vancouver)

Number of Employees:

1990	49,050	1987	48,778
1989	47,572	1986	46,202
1988	50,136		

Plant Footage:

1990	22,477,000 sq. ft.	1987	8,743,000
1989	N.A.	1986	8,619,000
1988	8,628,000		

N.A.-Not Available

Sales & Earnings

		Revenues (000's)		Net Income (000's)
1990	$	6,768,700	$	460,200
1989		6,105,500		376,500
1988		5,407,500		183,200
1987		4,914,500		347,200
1986		4,439,500		313,200

	No. of Com. Shares +		Earn. per Share +
1990	242,494,000	$	1.80
1989	240,910,000		1.47
1988	237,565,000		0.70
1987	235,823,000		1.39
1986	233,948,000		1.23

+ Based on the average number of shares outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

		1990		1989
Central office switching	$	3,731,300	$	3,258,200
Business communications systems & terminals		1,582,800		1,490,500
Transmission		714,400		631,800
Cable & outside plant		494,600		529,000
Other		245,600		196,000
Total	$	6,768,700	$	6,105,500

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.30	—	—
1989	0.28	—	—
1988	0.26	—	—
1987	0.23	—	2-for-1
1986	0.20	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity † (000's)	Equity Per Share ‡
1990	$ 3,224,400	$ 13.30
1989	2,695,500	11.19
1988	2,430,800	10.23
1987	2,333,300	9.89
1986	1,894,900	8.10

† After allowing for preferred stock at redemption value in U.S.$

‡ Based on the average number of shares outstanding adjusted to reflect stock split

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Revenues	$ 6,768,700	$ 6,105,500
Cost of revenues	4,081,900	3,718,600
Expenses	2,022,100	1,861,300
Eq. in earn. of subsid.	(51,100)	(64,800)
Invest. income (net)	6,500	(15,000)
Interest expense	80,000	96,900
Curr. exch. losses (gains)	10,700	(6,600)
Income before taxes	$ 618,600	$ 515,100
Income taxes	158,400	138,600
Net Income	$ 460,200	$ 376,500

* Included in Costs and Expenses, Depreciation and Amortization: $352,300,000 in 1990 and $322,500,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & short-term invest.	$ 105,000	$ 104,000
Accts. receiv., net	2,143,600	1,946,000
*Inventories	805,800	856,200
Prepaid expenses	58,700	39,200
Deferred inc. taxes	110,900	113,700
Current Assets	$ 3,224,000	$ 3,059,100
Long-term receivs.	875,800	782,900
Investments	1,154,000	966,800
#Fixed assets	1,552,000	1,485,000
Other assets	36,500	15,700
Total Assets	$ 6,842,300	$ 6,309,500

Liabilities
(000's)

	1990	1989
Notes payable	$ 309,900	$ 484,100
Long-term debt, curr.	194,900	178,000
Accts. payable & accruals	1,601,100	1,357,800
Income taxes	8,100	79,100
Current Liabilities	$ 2,114,000	$ 2,099,000
Long-term debt	797,700	816,100
Deferred income	27,800	9,900
Adv. from cust.	12,500	71,000
Deferred inc. taxes	170,900	334,200
Minority interest	51,900	37,600
Redeem. pref. stock	169,800	172,900
+Preferred stock Class A Series 4	73,300	73,300
+Common stock	971,000	921,300
Retained earnings	2,228,200	1,876,200
For. exch. adjust.	25,200	(102,000)
Total Liabilities & Shareholders' Equity	$ 3,842,300	$ 6,309,500

* At lower of cost (FIFO) and net realizable value.

Less accumulated depreciation.

+ No par value.

Statistical Summary

% Income bef. Taxes to Revenues	9.14	8.44
% Net Income to Revenues	6.80	6.17
% Net Income to Equity	13.96	13.60
Debt to Equity	0.39	0.56
Working Capital	$ 1,110,000,000	$ 960,100,000
Current Ratio	1.53	1.46
Shareholders' Equity	$ 3,297,700,000	$ 2,768,800,000

Northrop Corporation

1840 Century Park East
Century City
Los Angeles, California 90067-2199
(213) 553-6262
FAX: (213) 553-2076

Officers: Kent Kresa, chairman, president & chief executive officer; John B. Campbell, sr. v.p.-finance; Oliver C. Boileau, v.p., pres. & gen. mgr.-B-2 Division; Les Daly, sr. v.p.-public affairs; Arthur F. Dauer, sr. v.p.-human resources; Richard R. Molleur, sr. v.p. & general counsel; Togo D. West, Jr., sr. v.p.-government relations; Sheila M. Gibbons, v.p. & secretary; John R. Rettberg, v.p. & treasurer; Fred J. Manzella, exec. v.p.-operations; Wallace C. Solberg, v.p. & gen. mgr.-Electronic Systems Division; Stephen R. Smith, v.p. & gen. mgr.-Aircraft Division; Richard S. Taylor, v.p. & controller

Directors: Kent Kresa, chairman; Thomas V. Jones; William F. Ballhaus*; Richard J. Flamson, III; Tom Killefer*; O. Meredith Wilson*; Richard E. Horner; Charles W. Robinson; George T. Scharffenberger; Fred J. Manzella; Robert L. J. Long*; Howard P. Allen; Richard J. Stegemeier; William F. Schmied

* Member of the Executive Committee

Divisions:

Aircraft Division
One Northrop Avenue
Hawthorne, California 90250
Aircraft research, development and manufacturing

B-2 Division
8900 E. Washington Boulevard
Pico Rivera, California 90660-3737
Advanced systems research and development

Electronics Systems Division
600 Hicks Road
Rolling Meadows, Illinois 60008
Military electronic warfare systems

Electronics Systems Division
2301 West 120th Street
Hawthorne, California 90251
Electronics research, development, and manufacturing

Northrop Research and Technology Center
One Research Park
Palos Verdes Peninsula, California 90274
Advanced technology research programs

Subsidiary:

Northrop Worldwide Aircraft Services, Inc.
21 Northwest 44th Street
Lawton, Oklahoma 73505
Aircraft maintenance and base support services

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: NOC

Number of Employees:

1990	38,200	1987	48,200
1989	41,000	1986	46,800
1988	44,600		

Plant Footage:*

1990	18,600,000 sq. ft.	1987	20,300,000
1989	20,100,000	1986	18,600,000
1988	20,400,000		

* Includes U.S. Government-owned facilities used by Northrop Corporation

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 5,489,800	$ 210,400
1989	5,248,400	(80,500)
1988	5,797,100	104,200
1987	6,052,500	94,200
1986	5,608,400	41,200

	No. of Com. Shares #	Earn. per Share #
1990	47,000,000	$ 4.48
1989	47,000,000	—
1988	47,000,000	2.22
1987	46,800,000	2.01
1986	46,500,000	0.89

(Loss)

Based on the weighted average number of shares outstanding

Revenues by Line of Business
(000's)

	1990	1989
Aircraft	$ 4,129,900	$ 4,007,800
Electronics	922,800	896,600
Missiles & unmanned vehicle systems	456,200	305,500
Services	117,600	157,800
Eliminations	(134,600)	(123,800)
Total	$ 5,491,900	$ 5,243,900

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.20	—	—
1989	1.20	—	—
1988	1.20	—	—
1987	1.20	—	—
1986	1.20	—	—

Northrop Corporation

Common Stock Equity

		Total Equity (000's)		Equity Per Share +
1990	$	1,032,600	$	21.97
1989		875,100		18.62
1988		1,003,600		21.35
1987		947,500		20.25
1986		898,700		19.33

+ Based on the average number of common shares outstanding.

Income Account *
(000's)

Year ended Dec. 31		1990		1989
Net sales	$	5,489,800	$	5,248,400
Cost of sales		4,747,700		4,691,900
Expenses		450,500		533,200
Loss (gain) on dispos. of PPE		(103,000)		8,600
Interest income		(2,800)		(2,000)
Other expense (income)		(10,000)		4,500
Interest expense		94,900		123,700
Inc. (loss) bef. taxes	$	312,500	$	(11,500)
Income taxes (credit)		102,100		(31,000)
Net Income (Loss)	$	210,400	$	(80,500)

* Included in Costs and Expenses, Depreciation and Amortization: $186,600,000 in 1990 and $220,600,000 in 1989.

Assets
(000's)

As of Dec. 31		1990		1989
Cash & cash equiv.	$	172,900	$	4,700
Accts. receiv., net		844,300		1,019,600
*Inventoried costs		720,900		682,800
Prepaid expenses		46,900		40,300
Current Assets	$	1,785,000	$	1,747,400
#Fixed assets		1,239,300		1,439,500
Other assets		69,900		9,300
Total Assets	$	3,094,200	$	3,196,200

Liabilities
(000's)

		1990		1989
Notes payable	$	—	$	570,000
Long-term debt, curr.		260,000		—
Accts. payable		330,500		510,700
Accrued compensation		142,600		140,900
Income taxes pay.		12,500		6,300
Deferred inc. taxes		335,500		247,700
Other curr. liab.		132,900		179,700
Curr. Liabilities	$	1,214,000	$	1,655,300
Long-term obligations		727,800		583,700
Def. gain on sale/leaseback		32,200		—
Deferred inc. taxes		87,600		82,100
+Common stock		195,900		196,300
Retained earnings		842,800		688,700
Unvested employee restricted shares		(6,100)		(9,900)
Total Liabilities & Shareholders' Equity	$	3,094,200	$	3,196,200

* Primarily relate to work in process under fixed-price-type contracts (excluding those included in unbilled accounts receivable). They represent accumulated contract costs less the portion of such costs allocated to delivered items.
# Less accumulated depreciation & amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales		5.69		—
%Net Income to Sales		3.83		—
%Net Income to Equity		20.38		—
Debt to Equity		0.96		1.32
Working Capital	$	571,000,000	$	92,100,000
Current Ratio		1.47		1.06
Shareholders' Equity	$	1,032,600,000	$	875,100,000

Oak Industries Inc.

1000 Winter Street
Waltham, Massachusetts 02154
(617) 890-0400
FAX: (617) 890-8585

Officers: William S. Antle, III, president & chief executive officer; Paul J. Halas, sr. v.p. & general counsel; William C. Weaver, sr. v.p. & chief financial officer; John D. Richardson, sr. v.p.-human resources; Thomas F. Sheehan, controller; William E. Schafer, treasurer.

Directors: Rt. Hon. Lord Stevens of Ludgate, William S. Antle, III, Daniel W. Derbes, Roderick M. Hills, George W. Leisz, Gilbert E. Matthews, William D. Eberle, Christopher H.B. Mills, Elliot L. Richardson.

Areas of Work: Manufactures and markets controls and components for gas and electric appliances, low power rotary and other switches, and quartz oscillators and filters used in consumer, industrial and military products; produces communications equipment for use in cable television systems and satellite television systems.

Divisions and Subsidiaries:

Oak Switch Systems, Inc.
Ciudad Juarez, Mexico
Crystal Lake, Sugar Lake, Illinois
Lower power rotary, pushbutton, keyboard, membrane and lever switches.

O/E/N India Limited (45% owned)
Cochin, Kerala, India
Assembles and markets switches and relays.

Harper-Wyman Company
El Paso, Texas
Lisle, Princeton & Sterling
Illinois
Gas controls and components; electric range controls, gas grills.

Oak Frequency Control Group
Acuna, Mexico; Whitby, Ontario, Canada
Charlottsville, VA
Kane, Mt. Holly Springs; Mercersberg, Pennsylvania
Manufactures glass-to-metal seals and associated components.

Nordco, Inc.
Milwaukee, Wisconsin
Supplies the railroad transportation industry with equipment to maintain and repair railroad tracks and roadbeds.

Transfer Agent(s):

Bank of America
Los Angeles, California

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: OAK

Number of Employees:

1990	1,708	1987	3,843
1989	2,968	1986	4,017
1988	3,778		

Plant Footage:

1990	963,710 sq. ft.	1987	1,382,147
1989	1,178,100	1986	1,194,349
1988	1,164,484		

Sales & Earnings

		Net Sales +		Net Income †
1990	$	139,325,000	$	9,669,000
1989		138,732,000		(25,481,000)
1988		139,368,000		12,864,000
1987		123,060,000		8,226,000
1986		97,770,000		60,243,000

		No. of Com. Shares #		Earn. per Share † #
1990		82,524,459	$	0.12
1989		82,036,086		—
1988		75,500,155		0.17
1987		74,233,958		0.11
1986		59,420,211		1.01

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $8,964,000 ($0.15 per share) in 1986 and extraordinary loss of $466,000 ($0.01 per share) in 1987.
# Based on the average number of shares outstanding.

Revenues by Line of Business

		1990		1989
Components	$	124,015,000	$	124,505,000
Other		15,310,000		14,227,000
Total	$	139,325,000	$	138,732,000

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	78,278,000	$	0.95
1989		68,613,000		0.84
1988		88,987,000		1.18
1987		75,495,000		1.02
1986		61,950,000		1.04

‡ Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31		1990		1989
Net sales	$	139,325	$	138,732
Cost of sales		110,717		111,704
Expenses		28,823		31,773
Interest expense		2,112		4,564
Interest income		(2,364)		(3,139)
Goodwill write-offs		—		13,578
Other expense (income)		(1,765)		63
Inc. (loss) bef. taxes	$	1,802	$	(19,811)
Income taxes		413		411
Inc. (loss) - cont. oper.	$	1,389	$	(20,222)
Inc. (loss) - discont. oper.		8,280		(5,259)
Net Income (Loss)	$	9,669	$	(25,481)

* Included in Costs and Expenses, Depreciation and Amortization: $5,217,000 in 1990 and $5,575,000 in 1989.

Assets
(000's)

As of Dec. 31		1990		1989
Cash & cash equiv.	$	44,539	$	21,295
Receiv., net		16,349		14,765
*Inventories		29,784		34,962
Other curr. assets		1,981		1,539
Current Assets	$	92,653	$	72,561
#Fixed assets		24,929		23,947
Goodwill		4,910		5,404
Other assets		8,356		7,492
Net assets-discont. oper.		—		18,349
Total Assets	$	130,848	$	127,753

Liabilities

Long-term debt, curr	$ 5,436	$ 1,258
Accts. payable	6,983	7,818
Accruals	16,758	19,524
Curr. Liabilities	$ 29,177	$ 28,600
Long-term debt	11,255	17,749
Deferred compensation & accrued pensions	11,924	12,543
Other liabilities	214	248
+Common stock	82,587	82,585
Add. paid-in capital	194,172	194,167
Retained earnings	(198,518)	(208,187)
Cum. trans. adjust	556	574
Other	(519)	(526)
Total Liabilities & Shareholders' Equity	$ 130,848	$ 127,753

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

% Net Income to Equity	12.35	—
Sales to Inventories	4.68	3.97
Debt to Equity	0.21	0.28
Working Capital	$ 63,476,000	$ 43,961,000
Current Ratio	3.18	2.54
Shareholders' Equity	$ 78,278,000	$ 68,613,000

Odetics, Inc.

1515 S. Manchester Ave
Anaheim, California 92802
(714) 774-5000

Officers: Joel Slutzsky, chief exec. officer; Crandall Gudmundson, president; Jerry Muench, v.p. & secretary; Gordon Schulz, v.p.-mechanical engineering; James Welch, v.p.-electronic engineering; Eugene T. Juengel, v.p.-finance; David Lewis, v.p.-commercial products div.; Kevin C. Daly, v.p., chief technical officer; Jack Johnson, v.p. & gen. mgr.-Data Management Systems Division.

Directors: Joel Slutzsky, chairman; Crandall Gudmundson, Ralph Mickelson, Stanley Molasky, Jerry Muench, Leo Wexler.

Areas of Work: The Company is a leading manufacturer of intelligent machines, including information systems for collecting both digital and analog data, as well as robotic and artificial intelligence systems.

Divisions:

Odetics Broadcast Division
1515 South Manchester Ave
Anaheim, California 92802
(714) 774-2200

Odetics Precision Time Division
1515 South Manchester Ave
Anaheim, California 92802
(714) 758-0400

Gyyr
1515 South Manchester Ave
Anaheim, California 92802
(714) 772-1000

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: Class A: OA; Class B: OB

Sales & Earnings

	Sales & Rev	Net Income
1990	$ 55,330,000	$ 1,190,000
1989	54,821,000	1,055,000
1988	49,735,000	897,000
1987	39,656,000	113,000
1986	33,135,000	33,000

	No. of Com. Shares #	Earn. per Share +
1990	4,276,150	$ 0.28
1989	4,188,106	0.25
1988	4,089,974	0.21
1987	3,963,278	0.03

Class A and Class B Common shares combined
+ Based on the weighted average number of Class A and Class B Common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 16,722,000	$ 3.91
1989	15,091,000	3.60
1988	13,512,000	3.30
1987	12,045,000	3.04
1986	11,118,000	—

+ Class A and Class B Common shares combined

Income Account *

Year ended Mar. 31	1990	1989
Net sales & contract revenues	$ 55,329,524	$ 54,821,421
Cost of sales & revenues	36,699,753	35,661,459
Sell., gen. & adm. exp.	12,385,144	11,963,755
Res. & develop. exp.	2,750,088	4,273,029
Interest expense	2,254,279	1,913,862
Income before taxes	$ 1,240,260	$ 1,009,316
Income taxes	50,000	354,000
Cum. effect of acct. change	—	(400,000)
Net Income	$ 1,190,260	$ 1,055,316

* Included in Costs and Expenses, Depreciation and Amortization: $2,250,313 in 1990 and $1,798,587 in 1989.

Assets

As of Mar. 31	1990	1989
Cash	$ 425,344	$ 181,761
Accts. receiv., net	11,362,649	8,969,919
Costs in exc. of billings on uncompl. contracts	5,831,830	7,615,574
*Inventories	9,698,361	9,171,980
Prepaid expenses	554,970	529,950
Current Assets	$ 27,873,154	$ 26,469,184
#Fixed assets	20,946,289	20,096,039
Other assets	1,711,199	451,272
Total Assets	$ 50,530,642	$ 47,016,495

Liabilities

Long-term debt, curr	$ 660,534	$ 285,809
Accts. payable	4,679,536	3,637,982
Accruals	1,748,906	1,979,766
Accrued vacation	1,561,356	1,636,426
Billings in exc. of costs on uncompl. contracts	986,070	3,353,426
Current Liabilities	$ 9,636,402	$ 10,893,409
Long-term debt	22,675,865	19,545,905
Deferred inc. taxes	1,495,934	1,486,110
+Common stock	9,090,648	8,613,958
Retained earnings	7,631,793	6,477,113
Total Liabilities & Shareholders' Equity	$ 50,530,642	$ 47,016,495

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ No par value

Statistical Summary

% Income bef. Taxes to Sales & Rev	2.24	1.84
% Net Income to Sales & Rev	2.15	1.93
% Net Income to Equity	7.12	6.99
Debt to Equity	1.40	1.31
Working Capital	$ 18,236,752	$ 15,575,775
Current Ratio	2.89	2.43
Shareholders Equity	$ 16,722,441	$ 15,091,071

OEA, Inc.

34501 East Quincy Avenue
P.O. Box 10488
Denver, Colorado 80210
(303) 693-1248
FAX: (303) 699-6991

Officers: Ahmed D. Kafadar, chairman & chief executive officer; Charles B. Kafadar, president & chief operating officer; John E. Banko, sr. v.p. & treasurer; William M. Shelton, v.p. & controller; Nuri Y. Olcer, v.p.-engineering mechanics.

Directors: Ahmed D. Kafadar, chairman; John E. Banko, Ralph A. L. Bogan, Jr., J. Robert Burnett, G. Ben Huber, Philip E. Johnson, Charles B. Kafadar, James G. Maynard, Lewis W. Watson.

Areas of Work: Designs, develops, tests, and manufactures propellant and explosive-actuated devices for aircraft personnel escape systems and space and missile applications. Other products and services include commercial Jet Cord, a linear-shaped charge used by demolition contractors, commercial aircraft egress systems, a neutron radiography inspection operation, inflatable systems, and glass-to-metal sealing.

Subsidiaries:

ET, Inc.
P.O. Box KK
Fairfield, California 94533
(707) 422-1880

Aerotest Operations, Inc.
3455 Fostoria Way
San Ramon, California 94583
(415) 866-1212

OEA Aerospace Division
34501 E. Quincy Avenue
Denver, Colorado 80210
(303) 693-1248

OEA Automotive Initiator Division
34501 E. Quincy Avenue
Denver, Colorado 80210
(303) 693-1248

OEA Pyronetics Division
34501 E. Quincy Avenue
Denver, Colorado 80210
(303) 693-1248

OEA Inflatable Systems Division
34501 E. Quincy Avenue
Denver, Colorado 80210
(303) 693-1248

OEA Glass Seal Division
34501 East Quincy Avenue
Denver, Colorado 80210
(303) 693-1248

Pyrospace (45% interest)
139 route de Verneuil
78130 Les Mureaux Cedex, France

Transfer Agent(s):

Bank of America National Trust and Savings
Association
Denver, Colorado

Stock Exchange(s): American

Ticker Symbol: OEA

N A Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 76,637,275	$ 9,416,284
1989	62,023,901	7,521,106
1988	47,321,177	6,610,598
1987	41,865,923	5,362,461
1986	41,023,205	5,340,858

	No of Com Share ‡	Earn per Share ‡
1990	6,701,677	$ 1.41
1989	6,690,100	1.12
1988	6,723,226	0.98
1987	6,681,778	0.80
1986	6,654,124	0.80

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Revenues by Line of Business

	1990	1989
Government contracting	$ 49,100,981	$ 46,467,177
Commercial	27,536,294	15,556,754
Total	$ 76,637,275	$ 62,023,901

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 70,166,690	$ 10.45
1989	60,508,300	9.04
1988	52,937,506	7.92
1987	47,085,352	6.96
1986	41,062,882	6.17

‡ Adjusted to reflect stock split

Income Account *

Year ended July 31	1990	1989
Net sales	$ 76,637,275	$ 62,023,901
Cost of sales	56,670,339	45,913,789
Expenses	5,093,089	4,428,017
Interest income	(160,705)	(10,988)
Interest expense	135,470	304,275
Eq. in earn. of joint vent.	(28,012)	(5,552)
Other income	(12,619)	(133,768)
Income before taxes	$ 14,939,713	$ 11,528,128
Income taxes	5,523,429	4,273,022
Cum. effect of acct. change		(266,000)
Net Income	$ 9,416,284	$ 7,521,106

* Included in Costs and Expenses, Depecıation and Amortization $2,183,142 in 1990 and $1,956,190 in 1989

Assets

As of July 31	1990	1989
Cash & cash equiv	$ 8,932,525	$ 283,849
Accts. receiv., net	17,667,666	19,218,119
Unbilled costs on contracts in progress	2,450,610	5,432,737
*Inventories	26,836,703	27,210,353
Prepaid expenses	741,805	1,115,319
Current Assets	$ 56,629,309	$ 53,260,377
#Fixed assets	19,785,597	16,474,621
Cash value of life insur.	538,807	493,855
Invest. in for. joint vent.	2,301,452	2,273,440
Other assets	981,988	1,371,759
Total Assets	$ 80,237,153	$ 73,874,052

Liabilities

Notes payable	$ —	$ 701,180
Bank borrowings	—	3,050,000
Accts. payable	3,321,114	3,405,605
Accrued payroll	2,260,199	1,801,291
Accrued profit-sharing	1,264,069	902,343
Other accruals	431,937	368,135
Income taxes	573,914	981,460
Curr. Liabilities	$ 7,851,233	$ 11,210,014
Notes payable to insur. cos.	384,972	348,446
Cap. lease oblig.	81,004	131,969
Deferred comp.	407,254	339,317
Deferred inc. taxes	1,346,000	1,336,006
+Common stock	733,990	733,990
Add. paid-in capital	12,038,421	11,824,142
Retained earnings	58,991,701	49,575,417
Treasury stock	(1,597,422)	(1,625,249)
Total Liabilities & Shareholders' Equity	$ 80,237,153	$ 73,874,052

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	19.49	18.59
% Net Income to Sales	12.29	12.13
% Net Income to Equity	13.42	12.43
Sales to Inventories	2.86	2.28
Debt to Equity	0.01	0.07
Working Capital	$ 48,778,076	$ 42,050,363
Current Ratio	7.21	4.75
Shareholders' Equity	$ 70,166,690	$ 60,508,300

The Ohmart Corporation

4241 Allendorf Drive
P. O. Box 9026
Cincinnati, Ohio 45209
(513) 272-0131
FAX (513) 272-0133

Officers: Carl K. Gieringer, chairman of the board & president; Thomas E. Dewey, president; Dan Jahns, v.p.; Paul Sieck, v.p.-manufacturing; James Cartwright, v.p.-sales; John Craven, chief financial officer

Directors: Nicholas Bauer, Carl F. Evert, Carl K. Gieringer, C. Ross Whiting, Lewis M. Crowe, Estelle Gieringer, Edward C. Pandorf, Thomas E. Dewey

Areas of Work: Produces beta thickness gauges, conveyor scales, nuclear and electronic measuring devices used in process control

Divisions and Subsidiaries:

WeighART Division

WebART Division

Instruments Division

Transfer Agent(s):

The Fifth Third Bank
Fifth Third Center
Cincinnati, Ohio 45263

Stock Exchange(s): Over-the-Counter

Sales & Earnings

	Net Sales	Net Income
1989	$ 10,458,557	$ 431,049
1988	10,197,879	661,303
1987	7,551,880	15,695
1986	8,592,940	242,416
1985	8,472,523	209,525

	No of Com Shares	Earn per Share
1989	123,238	$ 3.50
1988	123,238	5.37
1987	123,238	0.13
1986	123,238	1.97
1985	123,238	1.70

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.75	—	—
1988	0.75	—	—
1987	0.50	—	—
1986	0.50	—	—
1985	0.50	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 5,787,375	$ 46.96
1988	5,448,755	44.21
1987	4,879,881	39.60
1986	4,925,805	39.97
1985	4,745,008	38.50

Income Account*

Year ended Nov. 30	1989	1988
Net sales	$ 10,458,557	$ 10,197,879
Other income	312,019	268,468
Total income	10,770,576	$ 10,466,347
Cost of sales	4,925,700	4,707,370
Expenses	5,197,598	4,736,260
Interest expense	4,229	12,414
Income before taxes	$ 643,049	$ 1,010,303
Income taxes	212,000	349,000
Net Income	$ 431,049	$ 661,303

* Included in Costs and Expenses, Depreciation and Amortization $199,765 in 1989 and $171,482 in 1988

Assets

As of Nov. 30	1989	1988
Cash & cash equiv.	$ 910,385	$ 1,339,159
Marketable secur.	1,100,619	1,050,721
Accts. receiv., net	2,374,904	2,268,424
*Inventories	1,524,722	1,223,120
Prepaid expenses	14,158	11,195
Prepaid income taxes	20,004	—
Deferred inc. taxes	149,000	150,000
Current Assets	$ 6,093,792	$ 6,042,619
#Fixed assets	1,273,134	1,247,764
Other assets	7,444	8,981
Total Assets	$ 7,374,370	$ 7,299,364

Liabilities

Long-term debt, curr	$ 35,000	$ 65,000
Accts. payable	267,366	238,496
Accruals	863,883	818,953
Advance payments	99,446	19,871
Deferred revenue	99,300	167,793
Income taxes		322,496
Curr. Liabilities	$ 1,364,995	$ 1,632,609
Long-term debt		35,000
Deferred taxes	222,000	183,000
+ Common stock	146,568	146,568
Add. paid-in capital	283,574	283,574
Retained earnings	5,357,233	5,018,613
Total Liabilities & Shareholders' Equity	$ 7,374,370	$ 7,299,364

* At lower of cost (LIFO) or market
# Less accumulated depreciation
+ No par value

Statistical Summary

% Income bef. Taxes to Sales	6.15	9.91
% Net Income to Sales	4.12	6.48
% Net Income to Equity	7.45	12.14
Sales to Inventories	6.86	8.34
Debt to Equity	0.01	0.02
Working Capital	$ 4,728,797	$ 4,410,000
Current Ratio	4.46	3.70
Shareholders' Equity	$ 5,787,375	$ 5,448,755

Oki Electric Industry Company, Limited

7-12 Toranomon 1-chome
Minato-ku, Tokyo 105, Japan
(03) 501-3111
FAX (03) 508-9465

Officers: Namio Hashimoto, chairman of the board; Nobumitsu Kosugi, president & chief executive officer; Yoshio Masuda, exec. v.p.; Chikatomo Mitsuyasu, exec. v.p.; Jun Jinguji, senior managing director; Masao Nogami, senior managing director; Akinori Watanabe, managing director; Shiko Sawamura, managing director; Mitsuhiro Kondo, managing director; Tadao Higashi, managing director; Minoru Imai, managing director; Susumu Ichinose, managing director; Chihiro Suzuki, director; Hiromu Tanimoto, director; Masataka Yamamoto, director; Tsuneo Kigoshi, director; Sumio Ishii, director; Yasunori Nishizawa, director; Ikuo Anada, director; Keisuke Furukawa, director; Yoichi Tanaka, director; Hisakazu Mukai, director; Kageaki Sakagami, director; Katsumasa Shinozuka, Shinji Hasegawa, director; Takashi Shirayama, director; Shosaku Kinoshita, director; Masahiko Watanabe, director; Yasufumi Nakae, director

Areas of Work: In the area of Telecommunications Systems, the Company produces switching systems, including central office exchanges, PBX systems, Telex and data exchanges, transmission systems, including VHF/UHF/SHF/EHF radio equipment, multiplex carrier equipment, modems, TV converters, fiber-optic communications systems, radio and TV broadcasting equipment, facsimile transceivers, satellite communications equipment, copyboards, videotex systems, local area networks, teleconferencing systems, IC-card systems, and telephone-equipped personal computers, and telephone sets, including cellular mobile telephones, push-button telephones, key telephone systems, and telewriting terminals.

Areas of Work: In the area of Information Processing Systems, the Company produces information processing equipment, including personal computers, banking systems, medical electronics systems, point-of-sale systems, computer peripherals, minicomputers, teleprinters and text communications terminals, and telemetry and telecontrol systems, including water resource control systems, intelligent building systems, seismometric and disaster-prevention systems, underwater acoustic sensors, and radar systems.

In the area of Electronic Devices, the Company produces VLSI memories, microprocessors, communications LSIs, printed circuit boards, plasma display panel units, optoelectronic devices, gate-array devices, application-specific ICs, and reed relays and switches.

Electronic Subsidiaries and Affiliates (Japan)

Telecommunications and Electronic Equipment:

Tohoku Oki Electric Co., Ltd.
Data communications equipment.

Oki Data Systems Co., Ltd.
Printers.

Nagano Oki Electric Co., Ltd.
Computers, remote terminals, assembly of printed circuit boards.

Taiko Electic Works, Ltd.
PBX and key telephone systems.

Nikko Denki Seisakusho Co., Ltd.
Switchboards, terminal blocks, distribution boxes, exchange parts.

Kuwano Electrical Instruments Co., Ltd.
Measuring instruments.

Toho Electronics Co., Ltd.
Transmission equipment and parts.

Shizuoka Oki Electric Co., Ltd.
Telecommunications equipment, control equipment, measuring equipment, acoustic equipment.

Telecommunications and Electronic Components:

Oki Ceramic Industry Co., Ltd.
Tantalum electrolytic capacitors, hybrid integrated circuits, ceramic parts.

Kinseki, Ltd.
Quartz crystals, crystal filters, crystal oscillators, ultrasonic glass delay lines, synthetic quartz.

Yamako Electric Manufacture Co., Ltd.
Fuse panels and steel structures for exchanges.

Mikuni Industry Co., Ltd.
Plastic moldings.

Waratoku Steel Co., Ltd.
Magnetic core and special steel products.

Oki Electric Cable Co., Ltd.
Cables, wires, connectors, printed circuit boards.

Miyazaki Oki Electric Co., Ltd.
LSIs, VLSIs.

Miyagi Oki Electric Co., Ltd.
LSIs, VLSIs.

Niigata Oki Electric Co., Ltd.
Printed circuit boards.

Oki LSI Technology Kansai Co., Ltd.

OF Engineering Co., Ltd.
Sensors.

Electronic Computers

Oki Unisys Kaisha, Ltd.
Electronic computer systems.

Subsidiaries and Affiliates (outside Japan):

Oki America, Inc.
Three University Plaza
Hackensack, New Jersey 07601 U.S.A.
(201) 646-0011

New York Office
19th Floor, 575 Fifth Avenue
New York, New York 10017 U.S.A.
(212) 972-8410
FAX (212) 972-8411

Okidata Group
(Division of Oki America, Inc.)
532 Fellowship Road
Mt. Laurel, New Jersey 08054 U.S.A.
(609) 235-2600

Oki Telecom Group
(Division of Oki America, Inc.)
437 Old Peachtree Road
Suwanee, Georgia 30174 U.S.A.
(404) 995-9800

Oki Semiconductor Group
(Division of Oki America, Inc.)
785 North Mary Avenue
Sunnyvale, California 94086 U.S.A.
(408) 720-1900

Oki (Puerto Rico) Inc.
Chase Manhattan Bank Building
Hato Rey, P.R., San Juan

Oki Electric Europe GmbH
Hellersbergstrabe 2
4040, Neuss, West Germany
02101-15960

Okidata GmbH
Hansa Allee 187
4000 Dusseldorf 11, West Germany
(0211)597-94-0

Far Eastern Electric Industry Co., Ltd.
10th Floor, International Building
6 Tung Hwa North Road
Taipei, Taiwan
(02) 751-2345

Digiphonic Systems Pte. Ltd.
70 Bendemeer Road, #06-01
Hiap Huat House, Singapore 1233
297-1511

Oki Electronics (Hong Kong) Ltd.
Suite 1801-4, Tower 1, China Hong Kong City
33 Canton Road, Tsim Sha Tsui
Kowloon, Hong Kong
3-7362336

Singapore Branch
09-01 78 Shenton Way
Singapore 0207
221-3722

Taipei Branch
4th Floor, Artist Construction
Building No. 687, Minshen East Road
Taipei, Taiwan
(02) 716-2216

Oki (UK) Ltd.
3 Castlecary Road
Wardpark North
Cumbernauld, Scotland G68 0BN, U.K.
(0236) 72-7777

Oki Europe Ltd.
Bond House
347/353 Chiswick High Road
London W4 4HS, U.K., England
(01) 743-2531

Stock Exchange(s): Tokyo

Number of Employees:

1990	19,331	1987	19,375
1989	18,440	1986	18,649
1988	18,659		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 629,907,000	$ 16,368,000
1989	555,521,000	15,319,000
1988	451,354,000	3,494,000
1987	407,415,000	2,212,000
1986	392,608,000	(967,000)

Oki Electric Industry Company, Limited

	No. of Com. Shares	Earn. per Share ‡
1990	595,905,153	¥ 27.93
1989	572,105,387	28.05
1988	519,475,732	6.82
1987	500,902,614	4.46
1986	480,347,869	—

(Loss)
¥ - Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding
NOTE: Due to rounding, income statement and balance sheet may not add up correctly.

Revenues By Line of Business
(000's)

	1990	1989
Telecommunications syst.	¥ 173,100,000	¥ 149,629,000
Information processing syst.	288,000,000	242,274,000
Electronic devices	145,000,000	139,944,000
Other	23,800,000	23,673,000
Total	¥ 629,900,000	¥ 555,521,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 6.00	—	—
1989	6.00	—	—
1988	6.00	—	—
1987	3.00	—	—
1986	6.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 180,203,000	¥ 302.40
1989	148,093,000	258.86
1988	118,795,000	228.68
1987	103,177,000	205.98
1986	88,165,000	183.54

Income Account *
(millions)

Year ended March 31	1990	1989
Net sales	¥ 629,907	¥ 555,521
Cost of sales	459,289	400,763
Expenses	132,797	118,701
Interest expense	13,158	11,051
Interest income	(7,114)	(4,482)
For. exch. gain	(2,550)	(165)
Gain from sale of secur	(644)	(228)
Bond issue expense	2,130	1,910
Other expense	3,345	2,793
Income before taxes	¥ 29,494	¥ 25,178
Income taxes	13,475	10,627
Minority interests	601	790
Eq. in earn. of affil	(950)	(958)
Net Income	¥ 16,368	¥ 15,319

* Included in Costs and Expenses, Depreciation and Amortization: ¥ 58,000,000,000 in 1990 and ¥ 39,862,000,000 in 1989.

Assets
(millions)

As of March 31	1990	1989
Cash & time deposits	$ 90,335	¥ 84,621
Marketable securities	66,618	42,105
Accts. receiv., net	182,695	139,848
*Inventories	133,752	114,033
Other curr. assets	4,823	4,662
Current Assets	¥ 478,225	¥ 385,271
Investments	39,835	33,796
⌗Fixed assets	162,544	138,432
Other assets	24,488	22,766
Translation adjust.	—	2,835
Total Assets	¥ 705,094	¥ 583,101

Liabilities
(millions)

	1990	1989
Short-term bank loan	¥ 128,365	¥ 120,071
Long-term debt, curr.	16,563	19,449
Accts. payable	111,659	106,933
Income taxes	8,378	6,838
Accruals	39,839	31,638
Other current liabilities	10,292	5,673
Curr. Liabilities	¥ 315,100	¥ 290,604
Long-term debt	181,400	125,965
Def. exch. differences	2,175	—
Liab. of severance indemnities	13,916	11,537
Reservefor inc. taxes	148	—
Other liabilities	549	—
Minority interest	8,239	6,900
+ Common stock	61,611	52,070
Add. paid-in capital	64,914	55,393
Legal reserve	4,566	4,211
Special reserves	10,816	7,467
Retained earnings	38,303	29,299
Treasury stock	(10)	(349)
Total Liabilities & Shareholders' Equity	¥ 705,094	¥ 583,101

* At specific identification cost.
⌗ Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

	1990	1989
% Income bef. taxes to Sales	4.68	4.53
% Net Income to Sales	2.60	2.76
% Net Income to Equity	9.08	10.34
Sales to Inventories	4.71	4.87
Debt to Equity	1.81	1.79
Working Capital (000's)	¥ 163,125,000	¥ 94,667,000
Current Ratio	1.52	1.33
Shareholders' Equity (000's)	¥ 180,203,000	¥ 148,093,000

Olivetti

(Ing. C. Olivetti & C., S.p.A.)

Via G. Jervis, 77
Ivrea 10015 Italy

Directors: Bruno Visentini, honorary chairman; Carlo De Benedetti, chairman & chief executive officer; Vittorio Cassoni, managinfg director; Franco De Benedetti, vice chairman; Elserino Piol, vice chairman; Robert E. Allen, Luigi Arcuti, Paolo Baratta, Giuseppe Bisconti, Camillo De Benedetti, Francois De Laage De Meux, Ettore Ferrero, Robert M. Kavner, Maria Luisa Lizier Galardi, Luigi Lucchini, Horst Munzner, Alberto Predieri, Enrico Recchi, John Segall, Randall L. Tobias, Guido Roberto Vitale, Jacopo Vittorelli, Sam R. Willcoxon.

Areas of Work: The Company manufactures electronic typewriters, videotaping systems, copiers, calculators and cash registers, personal computers, minicomputers, display, point-of-sale and banking automation terminals, computer peripherals including printers and hard-disk drives; telecommunications equipment, including teleprinters and telex automation modules and facsimile terminals; information technology modules, printed circuit boards; industrial, elastomeric and rubber and silicone components, liquid crystal displays, printed circuit and assembled electronic board test

equipment; ticker reservation, betting and bank current account management systems; control units for numerical control equipment; security systems, timeclock and access control systems, motorway and carpark systems, office furniture and fittings, thermoplastic and thermosetting resin moulding, and provides computer software and services.

Subsidiaries (Italy):

DISTRIBUTED DATA PROCESSING AND OFFICE AUTOMATION:

Olivetti Peripheral Equipment, S.p.A.
Ivrea, Italy

Olteco-Olivetti Telecommunicazioni, S.p.A.
Ivrea, Italy

Olivetti-Canon Industriale, S.p.A.
Aglie, Italy

Triumph Adler Distribuzione Italia, S.p.A.
Milan, Italy

Conner Peripherals Europe, S.p.A.
Ivrea, Italy

Ciesse Control System, S.p.A.
Padova, Italy

Prodest International, S.p.A.
Pozzuoli, Italy

OFFICE PRODUCTS:

Balteadisk, S.p.A.
Arnad, Italy

Diaspronsud, S.p.A.
Pozzuoli, Italy

Olivetti Synthesis, S.p.A.
Massa, Italy

Baltea, S.p.A.
Leini, Italy

EINGINEERING, SOFTWARE AND SERVICES:

Olivetti Information Services, S.p.A.
Milan, Italy

Software Sistemi, S.p.A.
Bari, Italy

Systena, S.p.A.

Sixcom, S.p.A.
Milano, Italy

Radiocor, S.p.A.
Milano, Italy

Elea, S.p.A.
Burolo, Italy

Olivetti Ricerca, Societa Consortile Per Azioni
Pozzuoli, Italy

COMPONENTS FOR INDUSTRIAL APPLICATIONS:

Teknecomp, S.p.A.
Cavaglia, Italy

Eleprint, S.p.A.
Ivrea, Italy

Tecsinter, S.p.A.
Ivrea, Italy

Manifattura Valle dell'Orco, S.p.A.
Sparone Canavese, Italy

Societa Generale Elastomeri-S.G.E., S.p.A.
S. Olcese, Italy

Selin Societa per l'Elettronica Industriale e Navale, S.p.A.
Genova, Italy

Aros, S.p.A.
Cormano, Italy

Nord Elettronica, S.p.A.
Altare, Italy

Circuiti Stampati Italia, S.p.A.
Pianezza, Italy

CUSTOM INFORMATION TECHNOLOGY SYSTEMS

Tecnost, S.p.A.
Ivrea, Italy

Mael, S.p.A.
Carsoli, Italy

Dating, S.p.A.
Borgoticino, Italy

Tecnotour, S.p.A.
Zola Pedrosa, Italy

Tecnosafe, S.p.A.
Milan, Italy

Larimart, S.p.A.
Roma, Italy

OSAI A-B, S.p.A.
S. Bernardo d'Ivrea, Italy

FACTORY AUTOMATION

Olivetti Prodotti Industriali, S.p.A.
Marcianise, Italy

SALES SUBSIDIARIES (U.S.A.)

Olivetti USA Inc.
Irving, California

Bunker Ramo Corp.
Dover, Delaware

Triumph-Adler Royal Inc.
Mountainside, California

Olivetti Supplies Inc.
Harrisburg, Pennsylvania

Stock Exchange(s): Milan, Italy

Number of Employees:

1989	56,937	1986	59,091
1988	57,560	1985	48,944
1987	58,087		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1989	L 9,031,200	L 202,800
1988	8,407,400	356,200
1987	7,375,500	402,000
1986	7,316,900	565,500
1985	6,140,500	503,700

	No. of Com Shares	Earn. per Share
1989	502,161,000	L 366
1988	447,446,000	647
1987	447,351,000	733
1986	429,230,000	1,097
1985	378,947,000	1,023

L. - Lire

Revenues By Line of Business
(millions)

	1989	1988
Products & software	L 6,095,700	L 5,815,100
Customer engineering	1,366,700	1,238,300
Accessories, spares & other revenues	1,568,800	1,354,000
Total	L 9,031,200	L 8,407,400

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989 270		—	—
1988 340		—	—
1987 340		—	—
1986 340		—	—
1985 320		—	—

Shareholders' Equity

	Total Equity (millions)	Equity Per Share
1989	L 3,617,400	L 7,204
1988	3,371,700	7,535
1988	3,281,400	7,335
1986	3,153,700	7,347
1985	2,279,700	6,016

Income Account *
(millions)

Year ended Dec. 31	1989	1988
Net revenues	L 9,031,221	L 8,407,427
Cost of revenues	5,768,438	5,248,927
Selling, gen. & adm. expenses	2,402,433	2,300,560
Res. & develop. expenses	477,992	451,976
Interest expense	87,177	5,247
Losses on for. curr. trans.	38,029	2,030
Research contributions	(33,650)	(46,228)
Other expense (income)	(66,234)	21,927
Earn. of non-consol. cos.	2,145	(9,617)
Income before taxes	L 354,891	L 432,605
Income taxes	116,285	109,854
Minority interests	35,796	(33,448)
Net Income	L 202,810	L 356,199

* Included in Costs and Expenses. Depreciation and Amortization: L 328,784,000,000 in 1989 and L 397,222,000,000 in 1988.

Assets
(millions)

As of Dec. 31	1989	1988
Cash & bank deposits	L 971,358	L 1,129,240
Marketable securities	4,087,891	2,524,897
Accts. receiv., net	4,384,059	4,021,365
*Inventories	1,809,254	1,833,393
Prepaid expenses	363,223	369,607
Current Assets	L 11,615,785	L 9,878,502
Investments	314,381	187,211
Guarantee deposits	87,312	75,631
Long-term receiv.	14,039	18,252
Deferred inc. taxes	39,862	4,056
#Fixed assets	1,601,935	1,538,662
#Leased products	16,723	20,143
Defer. charges	147,792	52,247
Total Assets	L 13,837,829	L 11,774,704

Liabilities
(millions)

	1989	1988
Bank overdrafts	L 724,213	L 652,626
Sav. deposits of empl.	14,013	14,582
Long-term debt, curr.	412,224	292,850
Accts. payable	1,801,071	1,845,344
Advances from customers	104,721	60,918
Other payables	559,178	575,357
Income taxes	126,535	113,537
Accruals & other liabilities	1,047,162	940,812
Curr. Liabilities	L 4,789,117	L 4,496,026
Long-term debt	4,329,427	2,869,021
Minority interest	254,026	233,906
Reserve for pension liab.	847,821	804,059
+Preferred stock	23,784	23,784
+Common stock	502,161	447,446
+Savings shares	78,630	78,629
Add. paid-in capital	1,366,452	972,500
Revaluation reserves	435,474	432,349
Retained earnings	1,018,054	1,057,876
Translation adjustments	(5,484)	7,222
Treasury stock	(4,443)	(4,313)
Net income for the year	202,810	356,199
Total Liabilities & Shareholders' Equity	L 13,837,829	L 11,774,704

* At lower of cost or market
# Less accumulated depreciation
+ L 1,000 par value

Statistical Summary

% Income bef. Taxes to Revenues	3.93	5.15
% Net Income to Revenues	2.25	4.24
% Net Income to Equity	5.61	10.56
Debt to Equity	1.51	1.13
Working Capital (millions)	L 6,826,668	L 5,382,476
Current Ratio	2.43	2.20
Shareholders' Equity (millions)	L 3,617,438	L 3,371,692

Optical Radiation Corporation

1300 Optical Drive
Azusa, California 91702
(818) 969-3344
FAX: (818) 334-4168

Officers: Richard D. Wood, chairman of the board & president; John N. Wilkinson, sr. v.p.-corp. development & secretary; Gregg Whitaker, sr. v.p.-Ophthalmic Surgical Products Division; Gary N. Patten, v.p.-finance & treasurer; Philip J. Englund, v.p.-legal; William T. Sullivan, group v.p.-Consumer Optical Group.

Directors: Richard D. Wood, chairman; John N. Wilkinson, Louis W. Biegler, Vernon H. Blackman, Roland Seidler, Jr., Frank D. Wood.

Areas of Work: Designs and manufacturers a wide variety of precision optical components and optical systems for medical, industrial, and scientific applications. Products include ophthalmic lenses, optical projection systems, automatic optical inspection systems, high-intensity light sources, photo exposure systems and precision metal optics.

Divisions and Subsidiaries:

Omega Optical Co., Inc.
Precision Optics, Inc.
Milroy Optical Co., Inc.
Keratometrix, Inc.
Theater and Audio-Visual Division
Electroforming Division
IC100 Division
Electronic Products Division
Lamp Division
Opthalmic Surgical Products Division
Orcolite Division

Transfer Agent(s):

Security Pacific National Bank
701 South Western Avenue
Glendale, California 91201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORCO (NASDAQ)

Number of Employees:

1990	1,577	1987	1,497
1989	1,507	1986	1,404
1988	1,500		

Plant Footage:

1990	532,000 sq. ft.	1987	466,000
1989	N.A.	1986	478,000
1988	493,000		

N.A.-Not Available

Sales & Earnings

	Net Sales +	Net Income
1990	$ 130,563,000	$ 7,324,000
1989	109,567,000	4,453,000
1988	100,316,000	8,588,000
1987	100,658,000	9,127,000
1986	95,637,000	8,346,000

	No. of Com Shares ≠	Earn. per Share ≠
1990	6,611,000	$ 1.11
1989	6,692,000	0.66
1988	7,606,000	1.13
1987	8,229,000	1.11
1986	8,284,000	1.01

+ Of continuing operations only.
≠ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 91,690,000	$ 14.28
1989	84,005,000	13.12
1988	88,110,000	12.51
1987	93,069,000	11.68
1986	88,141,000	10.77

Income Account*

Year ended July 31	1990	1989
Net sales	$ 130,563,000	$ 109,567,000
Cost of sales	72,098,000	60,934,000
Expenses	41,721,000	36,228,000
Prov. for litigation award	6,684,000	—
Interest income	(2,341,000)	(1,564,000)
Interest expense	2,252,000	1,544,000
Other expense (income)	(167,000)	92,000
Income before taxes	$ 10,316,000	$ 12,333,000
Income taxes	2,992,000	2,800,000
Inc. - cont. oper.	$ 7,324,000	$ 9,533,000
Loss - discont. oper.	—	(5,080,000)
Net Income	$ 7,324,000	$ 4,453,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,587,000 in 1990 and $4,534,000 in 1989.

Assets

As at July 31	1990	1989
Cash & short-term invest.	$ 32,734,000	$ 23,813,000
Accts. receiv., net	21,676,000	18,751,000
*Inventories	29,906,000	25,807,000
Prepaid deferred taxes	4,916,000	4,578,000
Other curr. assets	1,236,000	1,181,000
Current Assets	$ 90,468,000	$ 74,130,000
≠Fixed assets	37,653,000	37,484,000
Other assets	10,772,000	10,313,000
Goodwill	9,704,000	9,988,000
Total Assets	$ 148,597,000	$ 131,915,000

Liabilities

	1990	1989
Long-term debt, curr.	$ 1,785,000	$ 420,000
Accts. payable	3,370,000	3,651,000
Accrued payroll	6,052,000	4,674,000
Accrued commissions	2,936,000	2,294,000
Other accruals	9,417,000	3,796,000
Income taxes payable	6,316,000	4,486,000
Curr. Liabilities	$ 29,876,000	$ 19,321,000
Deferred income taxes	6,124,000	5,953,000
Long-term debt	20,907,000	22,636,000
+Common stock	3,210,000	3,200,000
Add. paid-in capital	19,635,000	19,308,000
Retained earnings	68,721,000	61,397,000
For curr. trans. adjust.	124,000	100,000
Total Liabilities & Shareholders' Equity	$ 148,597,000	$ 131,915,000

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.90	—
% Net Income to Sales	5.61	—
% Net Income to Equity	7.99	5.30
Sales to Inventories	4.37	4.25
Debt to Equity	0.25	0.27
Working Capital	$ 60,592,000	$ 54,809,000
Current Ratio	3.03	3.84
Shareholder's Equity	$ 91,690,000	$ 84,005,000

Orbit Instrument Corporation

80 Cabot Court
Hauppauge, New York 11788
(516) 435-8300
FAX: (516) 435-8458

Officers: Max Reissman, chairman & president; Mitchell Binder, v.p.-finance, treasurer & asst. secretary; Dennis Sunshine, v.p.-operations & secretary; Bruce Reissman, v.p.-marketing.

Directors: Max Reissman, chairman of the board; Mitchell Binder, Dennis Sunshine, Edward W. Easton, Barry Silverman, William L. Morrison, Donald S. Rosenberg.

Areas of Work: Designs, manufactures and markets high-quality electrical components and subsystems for use in military, air traffic control and console applications; state-of-the-art semiconductors on a firm order basis to the quick-turnaround and high-reliability markets; and an array of licensed activewear.

Subsidiaries:

Orbit Semiconductor, Inc.
1230 Bordeaux Drive
Sunnyvale, California 94089
(408) 744-1800
Manufacture of customized semiconductor chips.

Orbit Instrument of California, Inc.
5606 Corporate Avenue
Cypress, California 90630
(714) 527-0561

U.S.A. Classic, Inc.
10 West 33 Street
New York, New York 10001
(212) 564-8833
Manufactures men's and boys' clothing under the Everlast and Nautica trademarks.

Transfer Agent(s):

American Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORBT (NASDAQ)

Number of Employees:

1990	635	1987	312
1989	675	1986	296
1988	598		

Plant Footage:

1990	181,100 sq. ft.	1987	101,600
1989	212,400	1986	101,600
1988	115,400		

Sales & Earnings

	Net Sales +	Net Income ≠
1990	$ 57,226,000	$ 1,483,000
1989	50,689,000	(2,724,000)
1988	37,970,000	4,165,000
1987	38,943,000	3,686,000
1986	31,147,000	6,631,000

	No. of Com. Shares	Earn. per Share ≠‡
1990	9,383,000	$ 0.16
1989	9,521,000	—
1988	9,521,000	0.44
1987	8,998,000	0.40
1986	8,838,000	0.76

(Loss)
+ Of continuing operations only.
≠ Including extraordinary gain of $345,000 ($0.04 per share) in 1990.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Electronic subsystems	$ 20,869,000	$ 19,283,000
Semiconductor components	20,847,000	21,388,000
Branded apparel	15,510,000	10,018,000
Total	$ 57,226,000	$ 50,689,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 56,535,000	$ 6.03
1989	55,747,000	5.86
1988	57,946,000	6.09
1987	50,926,000	5.66
1986	45,046,000	5.10

Income Account*

Year ended June 30	1990	1989
Net sales	$ 57,226,000	$ 50,689,000
Cost of sales	44,944,000	40,189,000
Expenses	10,004,000	10,427,000
Interest expense	1,659,000	1,772,000
Invest. income	(1,403,000)	(1,611,000)
Inc. (loss) bef. taxes	$ 2,022,000	$ (88,000)
Income taxes (credit)	884,000	(38,000)
Inc. (loss)-cont. oper.	$ 1,138,000	$ (50,000)
Loss-discont. oper.	—	(2,674,000)
Net Income (Loss)	$ 1,138,000	$ (2,724,000)
Extraord. gain	345,000	—
Net Income (Loss) & extraord. gain	$ 1,483,000	$ (2,724,000)

* Included in Costs and Expenses, Depreciation and Amortization: $3,738,000 in 1990 and $3,902,000 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 6,058,000	$ 3,135,000
Marketable securities	18,123,000	16,052,000
Accts. receiv., net	6,957,000	5,715,000
*Inventories	26,706,000	26,488,000
Prepaid taxes	568,000	4,409,000
Deferred tax benefit	—	2,158,000
Other curr. assets	1,206,000	630,000
Current Assets	$ 59,618,000	$ 58,587,000
≠Fixed assets	16,873,000	18,390,000
Exc. of cost over assets acq.	215,000	171,000
Other assets	2,386,000	2,301,000
Total Assets	$ 79,092,000	$ 79,449,000

Liabilities

	1990	1989
Notes payable	$ 7,891,000	$ 384,000
Long-term debt, curr.	2,843,000	3,568,000
Accts. payable	2,763,000	3,163,000
Accruals	2,702,000	3,547,000
Curr. Liabilities	$ 16,199,000	$ 10,662,000

Long-term debt	6,203,000	12,135,000
Deferred inc. taxes	155,000	905,000
+Common stock	1,082,000	1,050,000
Add. paid-in capital	28,703,000	28,069,000
Retained earnings	30,796,000	29,313,000
Treasury stock	(2,574,000)	(919,000)
Compensatory stock	(1,472,000)	(1,766,000)
Total Liabilities & Shareholders' Equity	$ 79,092,000	$ 79,449,000

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.10 par value

Statistical Summary

%Income bef. Taxes to Sales	3.53	—
% Net Income to Sales	1.99	—
% Net Income to Equity	2.01	—
Sales to Inventories	2.14	1.91
Debt to Equity	0.30	0.29
Working Capital	$ 43,419,000	$ 47,925,000
Current Ratio	3.68	5.49
Shareholders' Equity	$ 56,535,000	$ 55,747,000

Orion Research Incorporated

(A privately-held company)

The Schrafft Center
529 Main Street
Boston, Massachusetts 02129
(617) 242-3900
FAX: (617) 242-4195

NOTE: Acquired by Warburg, Pincus Capital Co., L.P., on December 29, 1988.

Officers: Chane Graziano, president & CEO; Robert E. Kinney, v.p.-finance & administration; Lynn Orlowitz, director-quality assurance & regulatory affairs; Thomas H. Nicholson, v.p.-international sales & marketing; Albert A. Diggens, sr. v.p.-sales & marketing; James Barbookles, v.p.-research/development & engineering; Michael DeTillio, v.p.-operations.

Directors: Richard D. Condon, Alexander Jenkins, III, William J. Kennedy, Raymond W. Strohm, Jeffrey A. Harris, William H. Janeway, Gerald A. Lodge.

Areas of Work: Manufactures specific ion electrodes, digital and analog pH meters and specific ion meters, and related electronic instruments used to analyze chemical solutions and to display and record the resulting data.

Subsidiaries:

Orion Research Puerto Rico, Inc.
Carolina 00630 Puerto Rico
Manufacturer of chemical sensors (electrodes) and related products.

Orion Research AG
Uetikon am See, Switzerland

Orion Research Far East, Inc.
Morrison Hill Road,
Hong Kong

Number of Employees:

1989	340	1986	414
1988	353	1985	482
1987	332		

Plant Footage:

1989	118,000 sq. ft.	1986	118,000
1988	118,000	1985	90,000
1987	118,000		

Pacific Scientific Company

620 Newport Center Drive
Suite 700
Newport Beach, California 92660
(714) 720-1714
FAX: (714) 720-1083

Officers: Edgar S. Brower, chairman, president & chief executive officer; Richard V. Plat, sr. v.p.-finance & administration and secretary; Douglas D. Fockler, v.p.; Robert F. Aldrich, v.p.; Richard G. Knoblock, v.p.; Ronald Nelson, v.p.; Robert L. Olsen, v.p.; Frank J. Zugel, v.p.; William L. Nothwang, controller; Peer A. Swan, treasurer.

Directors: Edgar S. Brower, chairman; Walter F. Beran, Ralph O. Briscoe, John C. Dieckman, Roger W. Johnson, William A. Preston, Thomas P. Stafford, Harry W. Todd, Harry R. Goff.

Areas of Work: Designs, manufactures and markets technology based proprietary products of high quality to niche markets. Operates in two industry segments: Industrial products and Aerospace products.

Divisions and Subsidiaries:

HTL/Kin-Tech Division
Duarte, California
Develops and markets mechanical shock arrestors, restraint equipment and other safety devices for nuclear power plants; manufactures restraint systems, electro-mechanical flight control components, and hydraulic actuators for military and commercial aircraft; manufactures fire detection and suppression equipment, alternators, pneumatic and electro-mechanical actuators, and other aerospace components.

HIAC/Royco Division
Silver Spring, Maryland
Primary market is detecting and sizing particle contaminants.

Belfab Division
Daytona Beach, Florida
Manufactures welded and formed metal bellows, and mechanical seals.

Motor & Control Division
Rockford, Illinois
Manufactures low inertia, permanent magnet DC and brushless motors.

Electro Kinetics Division
Santa Barbara, California
Manufactures AC and DC generators and electromechanical actuators.

Pacific Scientific, Ltd.
Buckinghamshire, England

Pacific Scientific, GmbH
Leonberg, West Germany

Pacific Scientific, S.A.R.L.
Palaiseau, France

Pacific Scientific International Sales Corp.
St. Thomas, U.S. Virgin Islands

Fisher Pierce
Weymouth, Massachusetts
Designs, manufactures and markets electrical and electromechanical products for electric utilities and other industries, as well as stepping motors and associated electronics systems for automation applications.

HTL Energy Systems Division
Chandler, Arizona

Transfer Agent(s):

Manufacturers Hanover Trust Co. of California
Los Angeles, California

Stock Exchange(s): New York, Midwest

Ticker Symbol: PSX

Number of Employees:

1990	1,588	1987	1,902
1989	1,810	1986	856
1988	1,877		

N.A. - Not Available

Sales & Earnings

	Net Sales +	Net Income ≠
1990	$ 183,906,000	$ 1,464,000
1989	169,599,000	4,367,000
1988	180,886,000	(4,093,000)
1987	156,988,000	4,447,000
1986	86,085,000	2,840,000

	No. of Com. Shares	Earn. per Share ≠†
1990	5,327,000	$ 0.20
1989	5,560,000	0.74
1988	5,513,000	—
1987	5,504,000	0.80
1986	5,500,000	0.52

(Loss)
+ Of continuing operations only.
≠ Including extraordinary gains of $989,000 ($0.18 per share) in 1989 and $576,000 in 1988.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Aerospace prods.	$ 96,659,000	$ 80,783,000
Industrial prods.	87,247,000	88,816,000
Total	$ 183,906,000	$ 169,599,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	0.30	—	—
1987	0.40	—	—
1986	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 59,611,000	$ 11.19
1989	60,650,000	10.91
1988	55,795,000	10.12
1987	61,281,000	11.13
1986	58,650,000	10.66

‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended	12/28/90	12/29/89
Net sales	$ 183,906	$ 169,599
Cost of sales	133,869	120,738
Expenses	47,043	43,607
Gain on sale of prod. lines	(1,293)	(1,906)
Interest expense	3,258	4,524
Other income	(747)	(995)
Income before taxes	$ 1,776	$ 3,631
Income taxes	312	253
Net Income	$ 1,464	$ 3,378
Extraord. gain	—	989
Net Income & extraord. gain	$ 1,464	$ 4,367

* Included in Costs and Expenses, Depreciation and Amortization: $7,821,000 in 1990 and $7,622,000 in 1989.

Assets
(000's)

As of	12/28/90	12/29/89
Cash	$ 2,440	$ 1,306
Short-term invest	5,108	5,944
Trade receiv., net	31,101	33,389
*Inventories	35,381	40,265
Other curr. assets	5,351	7,636
Current Assets	$ 79,381	$ 88,540
≠Fixed assets	31,302	29,916
Restricted cash	6,100	6,163
Other assets	26,581	24,548
Total Assets	$ 143,364	$ 149,167

Liabilities
(000's)

Short-term borrowings	$ 14,100	$ 20,000
Accts. payable	11,598	12,263
Accrued payroll	4,577	4,059
Other curr. liab.	5,508	5,458
Curr. Liabilities	$ 35,783	$ 41,780
Long-term debt	39,031	37,606
Accrued benefit plan	5,439	5,631
+ Preferred stock	3,500	3,500
++ Common stock	5,327	5,560
Add. paid-in capital	3,506	5,426
Retained earnings	50,778	49,664
Total Liabilities & Shareholders' Equity	$ 143,364	$ 149,167

* At lower of cost (average) or market
≠ Less accumulated depreciation and amortization
+ No par value; Series B, 10% non-convertible
++ $1 par value

Statistical Summary

%Income bef. Taxes to Sales	0.97	2.14
%Net Income to Sales	0.80	1.99
%Net Income to Equity	2.32	5.27
Sales to Inventories	5.20	4.21
Debt to Equity	0.84	0.90
Working Capital	$ 43,598,000	$ 46,760,000
Current Ratio	2.22	2.12
Shareholders' Equity	$ 63,111,000	$ 64,150,000

PAR Technology Corporation

PAR Technology Park
220 Seneca Turnpike
New Hartford, New York 13413
(315) 738-0600
FAX: (315) 738-0411

Officers: John W. Sammon, chairman of the board & president; Charles A. Constantino, exec. v.p.; Gregory T. Cortese, v.p., general counsel & secretary; A. Kenneth Patterson, v.p. & treasurer; Ben F. Williams, v.p.-business development; Ronald J. Casciano, controller; John P. Murphy, v.p.-human resources; J. Whitney Haney, president-PAR Microsystems Corporation; Virgil L. Romiti, president-PAR Government Systems Corporation; Albert Lane, president- Rome Research Corporation.

Directors: John W. Sammon*, chairman of the board; Charles A. Constantino*, Virgil L. Romiti, J. Whitney Haney, Sangwoo Ahn*, James C. Castle

* Member of the Executive Committee

Areas of Work: The Company, through its separate operating subsidiaries, operates in two principal segments: a Commercial segment and a Government segment. The Commercial segment designs, develops, manufactures, sells, installs and services point-of-sale terminal systems for the restaurant and convenience store industries, industrial data collection systems for manufacturing industries, and fully automated X-ray inspection systems for food-processing industries. The Government segment designs and implements advanced technology computer software systems primarily for military and intelligence agency applications, and provides services for the operation and maintenance of certain U.S. Government-owned test sites, and for the planning, execution and evaluation of experiments involving new or advanced radar systems.

Subsidiaries:

PAR Microsystems Corporation

PAR Government Systems Corporation

Rome Research Corporation

Transfer Agent(s):

Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): New York

Ticker Symbol: PTC

Sales & Earnings

	Revenues	Net Income
1990	$ 88,422,000	$ (8,380,000)
1989	92,418,000	2,394,000
1988	78,656,000	1,077,000
1987	57,334,000	(2,431,000)
1986	72,745,000	5,460,000

	No. of Com. Shares +	Earn. per Share +
1990	7,553,000	$ —
1989	7,782,000	0.31
1988	7,749,000	0.14
1987	7,728,000	—
1986	7,707,000	0.71

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Commercial segment:		
Domestic	$ 49,907,000	$ 54,601,000
Foreign	11,639,000	10,543,000
Government segment	26,876,000	27,274,000
Total	$ 88,422,000	$ 92,418,000

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 37,604,000	$ 4.98
1989	47,533,000	6.11
1988	45,082,000	5.82
1987	43,783,000	5.67
1986	46,177,000	5.99

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Revenues:		
Net prod. sales	$ 40,678	$ 42,410
Service revenues	20,868	22,734
Contract revenues	26,876	27,274
Total revenues	$ 88,422	$ 92,418
Cost of revenues	80,847	71,123
Expenses	19,258	18,562
Other income	(1,001)	(1,880)
Interest expense	988	807
Inc. (loss) bef. taxes	$ (11,670)	$ 3,806
Income taxes (credit)	(3,290)	1,662
Cum. effect of acct. change	—	(250)
Net Income (Loss)	$ (8,380)	$ 2,394*

* Included in Costs and Expenses, Depreciation and Amortization: $2,331,000 in 1990 and $2,432,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 1,023	$ 1,497
Investments	1,267	1,449
Accts. receiv., net	25,148	27,709
*Inventories	14,647	25,190
Refundable taxes	165	—
Deferred inc. taxes	1,950	—
Other curr. assets	1,181	1,377
Current Assets	$ 45,381	$ 57,222
≠Fixed assets	10,042	12,056
Deferred inc. taxes	450	—
Other assets	2,548	3,040
Total Assets	$ 58,421	$ 72,318

Liabilities
(000's)

Notes payable	$ 6,215	$ 5,565
Long-term debt, curr	455	—
Accts. payable	3,291	4,135
Accrued payroll	3,717	4,378
Other accruals	2,286	1,375
Deferred maintenance rev	1,478	1,401
Income taxes pay	—	1,099
Deferred income taxes	—	500
Current Liabilities	$ 17,442	$ 18,453
Long-term debt	3,375	3,830
Deferred income taxes	—	1,170
Goodwill	—	1,332
+Common stock	176	175
Add. paid-in capital	12,148	12,112
Retained earnings	27,090	35,470
Cum. trans adjust	(135)	—
Treasury stock	(1,675)	(224)
Total Liabilities & Shareholders' Equity	$ 58,421	$ 72,318

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.02 par value

Statistical Summary

% Income bef. Taxes to Revenues	—	4.12
% Net Income to Revenues	—	2.59
% Net Income to Equity	—	5.04
Debt to Equity	0.27	0.20
Working Capital	$ 27,939,000	$ 38,769,000
Current Ratio	2.60	3.10
Shareholders Equity	$ 37,604,000	$ 47,533,000

Park Electrochemical Corp.

5 Dakota Drive
Lake Success, New York 11042
(516) 354-4100
FAX: (516) 354-4128

Officers: Jerry Shore, chairman, chief executive officer and president; E. Philip Smoot, exec. v.p.; Allen Levine, v.p., secretary, treasurer & chief financial officer; Brian Shore, general counsel

Directors: Anthony Chiesa, Jerry Shore, Norman M Schneider, Brian E Shore, Lloyd Frank, E Philip Smoot

Areas of Work: Engaged in the design, manufacture and marketing of electronic materials and components, plumbing hardware, and industrial components The electronic products include sophisticated multilayer circuitry materials used in electronic interconnections, as well as front panels and nameplates, for use in electronic equipment The plumbing hardware products include bath spouts, shower heads, kitchen hose and spray head units, and faucets manufactured for original equipment manufactures, hardware and plumbing wholesalers and home improvement centers The industrial components consist of decorative hardware used primarily by manufacturers of household appliances and automobiles

Divisions and Subsidiaries:

New England Laminates Co., Inc
3 Elm Street
Walden, New York 12586

Zin-Plas Corporation
25 North Park Street
Comstock Park, Michigan 49321

Skunk Works, Inc
Ronkonkoma, New York

Dielectric Polymers, Inc
218 Race Street
Holyoke, Massachusetts 01040

Nelco Products, Inc
1411 E Orangethorpe Avenue
Fullerton, California 92631

New England Laminates (U K) Limited
1 Paddock Road
Skelmersdale, Lancashire, United Kingdom

Grand Rapids Die Casting Corp
Grand Rapids, Michigan

Nelco Technology, Inc
Tempe, Arizona

Neltec, Inc
Tempe, Arizona

Nelco GmbH
Stuttgart, West Germany

Nelco, S A
Mirebeau-sur-Beze, France

Nelco Products Pte Ltd
Jurong, Singapore

FiberCote Industries, Inc
Waterbury, Connecticut

Transfer Agent(s):

Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): New York

Ticker Symbol: PKE

Number of Employees:

1991	1,440	1988	1,170
1990	1,300	1987	1,000
1989	1,300		

Sales & Earnings

	Net Sales	Net Income †
1991*	$ 164,417,000	$ 2,649,000
1990	148,231,000	4,138,000
1989	146,913,000	7,633,000
1988	128,136,000	7,030,000
1987	102,777,000	5,885,000

	No of Com Shares ≠	Earn per Share †≠
1991*	4,923,000	$ 0.54
1990	5,147,000	0.80
1989	5,175,000	1.47
1988	5,160,000	1.36
1987	5,156,000	1.14

* 53 weeks
† Including extraordinary gain of $290,000 ($0.06 per share) in 1990
≠ Based on the weighted average number of shares outstanding

Revenues by Line of Business
(000's)

	1991	1990
Electronics	$ 134,498	$ 120,825
Plumbing hardware	20,120	19,766
Industrial components	9,799	7,640
Total	$ 164,417	$ 148,231

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ 0.32	—	—
1990	0.32	—	—
1989	0.24	—	—
1988	0.15	—	—
1987	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 64,146,000	$ 14.16
1990	66,923,000	13.24
1989	66,353,000	12.82
1988	60,571,000	11.71
1987	52,870,000	10.25

Income Account *

Year ended	3/3/91	2/25/90
Net sales	$ 164,417,000	$ 148,231,000
Cost of sales	140,928,000	124,753,000
Expenses	21,433,000	18,682,000
Interest expense	2,735,000	2,816,000
Other income	(4,323,000)	(4,998,000)
Income before taxes	$ 3,644,000	$ 6,978,000
Income taxes	1,285,000	2,840,000
Net Income	$ 2,359,000	$ 4,138,000
Extraord gain	290,000	—
Net Income & extraord gain	$ 2,649,000	$ 4,138,000

* Included in Costs and Expenses, Depreciation and Amortization $6,319,000 in 1990 and $5,332,000 in 1989

Assets

As of	3/3/91	2/25/90
Cash & cash equis	$ 13,800,000	$ 32,738,000
Market securities	29,044,000	22,301,000
Accts receiv, net	26,468,000	25,502,000
*Inventories	17,424,000	13,904,000
Prepaid exp & other assets	2,378,000	2,522,000
Current Assets	$ 89,114,000	$ 96,967,000
≠Fixed assets	44,562,000	35,510,000
Other assets	2,359,000	2,566,000
Total Assets	$ 136,035,000	$ 135,043,000

Liabilities

Bank loans pay	$ 4,596,000	$ 3,750,000
Long-term debt, curr	149,000	282,000
Accts payable	19,937,000	15,032,000
Accruals	6,801,000	6,314,000
Income taxes	371,000	1,060,000
Curr Liabilities	$ 31,854,000	$ 26,438,000
Long-term debt	33,420,000	35,104,000
Deferred inc taxes	5,788,000	5,696,000
Deferred pension liab	827,000	882,000
+Common stock	518,000	518,000
Add paid-in capital	17,313,000	17,313,000
Retained earnings	50,102,000	49,045,000
Cum trans adj	3,770,000	2,022,000
Deferred pension costs	(336,000)	(346,000)
Treasury stock	(7,221,000)	(1,629,000)
Total Liabilities & Shareholders' Equity	$ 136,035,000	$ 135,043,000

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.10 par value

Statistical Summary

% Income bef Taxes to Sales	2.22	4.71
% Net Income to Sales	1.43	2.79
% Net Income to Equity	3.68	6.18
Sales to Inventories	9.44	10.66
Debt to Equity	0.59	0.58
Working Capital	$ 57,260,000	$ 70,529,000
Current Ratio	2.80	3.67
Shareholders' Equity	$ 64,146,000	$ 66,923,000

Parker Hannifin Corporation

17325 Euclid Avenue
Cleveland, Ohio 44112-1290
(216) 531-3000
FAX: (216) 383-9414

Officers: Patrick S Parker, chairman of the board, Paul G Schloemer, president & chief exec officer, Duane E Collins, exec v p & president-International, Michael J Hiemstra, v p -finance & administration & chief financial officer, James P Mockler, v p & president-Fluidpower; Robert H Rau, exec v p & president-Aerospace, William D Wilkerson, v p and technical director; Dennis W Sullivan, exec v p & pres - industrial & automotive, John L Hanson, v p -human resources; Harold C Gueritey, Jr , controller; Joseph D Whiteman, v p , general counsel & secretary; Donald A Zito, v p & president-Fluid Connectors, Wallace C Young, treasurer

Directors: Allen H Ford*, Frank A LePage, Patrick S Parker*, Maurice L Schwarz, Richard Bertea*, John G Breen, Robert H Cannon, Jr , Paul G Schloemer*, Dennis W Sullivan, Allan L Rayfield*, Paul C Ely, Jr *, Peter W Likins

* Member of the Executive Committee

Areas of Work: Industrial products include hydraulic, pneumatic and cryogenic cylinders, valves, controls and filters, hydraulic pumps, accumulators, motors, and power system units, hose, tube and applicable connectors and fittings, sealing devices, worm drive clamps, refrigeration and air conditioning system components Aviation/Space/Marine products include gas turbine fuel injection control valves and nozzles, precision control valves for cryogenic and conventional fuels, valves for pressurized gases used in space experiments and space craft altitude jets, hydraulic valves, and biomedical products Automotive products include worm drive clamps, thermostats, windshield wiper blades and refills, windshield washer pumps, turn signal and hazard warning flashers, mirrors, radio antennas, air conditioner fittings, hose assemblies, receiver-dryers, valves couplers and mufflers, grease guns, oilers, tire valves, gauges and hardware, air line couplers, blow guns, seals, disc and drum brake fluids and components

Parker Hannifin Corporation

Operating Groups:

Parker Bertea Aerospace Group
18321 Jamboree Boulevard
Irvine, California 92715
(714) 833-3000

Automotive & Refrigeration Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Applied Technologies Group
48 Woerd Avenue
Waltham, Massachusetts 02254
(617) 894-0650

Fluid Connectors Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Fluid Connectors Group - Europe
Parker Hannigin Corporation
Parker House
515 Maylands Avenue
Hemel Hempstead Herts HP2 48J, England

Fluidpower Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Fluidpower Group - Europe
Parker Hannifin N.M.F. GmbH
Geestemunder Strasse 42
D5 Koln 60, West Germany

Asia Pacific Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Latin American Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Seal Group
18321 Jamboree Boulevard
Irvine, California 92715
(714) 833-3000

Seal Group - Europe
Parker-Pradifa GmbH
Postfach 328
D-7120 Bietigheim-Bissingen, West Germany

Divisions and Subsidiaries:

United Aircraft Products, Inc.
3400 Terminal Drive
Dayton International Airport
Dayton, Ohio 90007
(513) 898-1811

Manufactures heat transfer components primarily for the aerospace market.

Compumotor Corporation
1179 N. McDowell Blvd.
Petaluma, California 94952
(707) 778-1244

Manufactures electronic components and systems used to control motion.

Metal Bellows Corporation
Moorpark, California
Sharon, Massachusetts

Manufactures precision welded bellows, pumps, accumulators and fabricated assemblies for aerospace and other high technology applications.

Spaulding Instruments Inc.

Manufactures sophisticated electro-mechanical encoders.

Commercial Filters Division
1515 West South Street
P.O. Box 1300
Lenanon, Indiana 46052
(317) 482-3900

Manufactures cartridge filters and wound filter elements.

Schrader Bellows Inc.
8676 East M-89
Richland, Michigan 49083
(616) 694-9411

Manufactures pneumatic products and automation systems for domestic and international markets.

Gull Inc.
395 Oser Avenue
Smithtown, New York 11787
(516) 231-3737

Manufactures fuel-gaging and monitoring computers, fire-suppression systems, and navigation-monitoring computers for military and commercial aviation.

Bruning Hydraulics
13400 East O Street
P.O. Box 81247
Lincoln, Nebraska 68501-1247
(402) 489-6536

Manufactures hydraulic quick couplers, cylinders, and check valves.

Waterman Hydraulics
Niles, Illinois

Manufactures hydraulic control valves for a variety of fluid power applications.

Stratoflex, Inc.
220 Roberts Cut-Off Road
P.O. Box 10398
Fort Worth, Texas 76114-0398
(817) 738-6543

Manufactures fluid connectors.

Transfer Agent(s):

AmeriTrust Company N.A.
Corporate Trust Division
P.O. Box 6477
Cleveland, Ohio 44101-1477

Stock Exchange(s): New York

Ticker Symbol: PH

Number of Employees:

1990	30,408	1987	27,608
1989	33,463	1986	26,564
1988	33,255		

Sales & Earnings

	Net Sales † (000's)	Net Income ‡ (000's)
1990	$ 2,452,568	$ 111,479
1989	2,381,789	124,475
1988	2,121,792	106,539
1987	1,810,081	84,432
1986	1,592,676	80,568

	No. of Com Shares *	Earn per Share ‡ #
1990	48,918,000	$ 2.28
1989	48,832,000	2.55
1988	48,714,000	2.20
1987	48,239,000	1.77
1986	47,310,000	1.73

† Of continuing operations only.

‡ Including extraordinary loss of $3,760,000 ($0.08 per share) in 1990.

* Adjusted to reflect stock split.

Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Industrial		
Fluid connectors	$ 683,794	$ 647,412
Fluidpower	659,789	628,719
Seal	188,922	180,657
Automotive & refrig.	215,578	226,788
Aerospace	705,283	699,276
Intersegment	(798)	(1,063)
Total	$ 2,452,568	$ 2,381,789

Common Stock

	Cash Dividend *	Stock Dividend	Stock Split
1990	$ 0.88	—	—
1989	0.84	—	—
1988	0.82	—	—
1987	0.80	—	—
1986	0.76	—	3-for-2

* Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 938,404,000	$ 19.18
1989	840,522,000	17.21
1988	845,741,000	17.36
1987	756,679,000	15.69
1986	665,440,000	14.07

† Adjusted to reflect stock split.

Income Account *

Year ended June 30	1990	1989
Net sales	$ 2,452,568	$ 2,381,789
Cost of sales	1,927,119	1,885,804
Expenses	282,811	279,401
Prov. for bus. restruc.	—	5,535
Interest expense	62,139	53,148
Interest & other income	(4,804)	(7,765)
Loss on dispos. of assets	2,028	2,022
Income before taxes	$ 183,274	$ 163,644
Income taxes	72,827	65,297
Inc. - cont. oper.	$ 110,447	$ 98,347
Inc. - discont. oper.	4,792	4,430
Net Income	$ 115,239	$ 102,777
Extraord. loss	(3,760)	—
Cum. effect of acct. change	—	21,698
Net Income & extraord. loss	$ 111,479	$ 124,475

* Included in Costs and Expenses, Depreciation and Amortization: $97,544,000 in 1990 and $92,427,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash & cash equis.	$ 21,780	$ 28,855
Accts. receiv., net	381,924	345,989
*Inventories	686,504	616,442
Prepaid expenses	12,775	10,333
Def. inc. taxes	26,207	29,502
Net assets-discont. oper.	—	72,249
Current Assets	$ 1,129,190	$ 1,103,370
Investments & other assets	48,436	34,456
#Fixed assets	752,668	710,408
Exc. cost of invest. over assets acquired	65,863	58,389
Total Assets	$ 1,996,157	$ 1,906,623

Liabilities
(000's)

Notes payable	$ 93,989	$ 120,710
Accts. payable	147,236	144,909
Accrued payroll	67,481	64,061
Accrued taxes	31,031	26,748
Other accruals	98,635	116,523
Current Liabilities	$ 438,372	$ 472,951

Long-term debt	511,681	494,469
Other liabilities	54,276	54,749
Deferred inc. taxes	53,424	43,932
+Common stock	24,459	24,416
Add. paid-in capital	157,912	156,277
Retained earnings	804,509	735,025
Def. compensation rel. to ESOP debt guarantee	(63,882)	(70,000)
For. curr. trans. adj	15,406	(5,196)
Total Liabilities & Shareholders' Equity	$ 1,996,157	$ 1,906,623

* At lower of cost or market. Majority of domestic inventories stated at LIFO; remainder at FIFO.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

% Net Income to Equity	12.28	12.23
Sales to Inventories	3.57	3.86
Debt to Equity	0.65	0.73
Working Capital	$ 690,818,000	$ 630,419,000
Current Ratio	2.58	2.33
Shareholders' Equity	$ 938,404,000	$ 840,522,000

Parlex Corporation

145 Milk Street
Methuen, Massachusetts 01844
(508) 685-4341
FAX: (508) 685-8809

Officers: Herbert W. Pollack, president & treasurer; Robert D. Cyr, senior vice president; Jill Pollack Kutchin, v.p.-corporate affairs & clerk; Steven M. Millstein, v.p.-finance.

Directors: Herbert W. Pollack, chairman; Robert D. Cyr, Stanley R. Klion, M. Joel Kosheff, Lester Pollack, Benjamin M. Rabinovici.

Areas of Work: Engaged in the design and manufacture of interconnection and packaging products for semiconductors and electronic components. The company's custom product line of flexible printed circuits and flexible-rigid multilayers can include the assembly of surface mount components. The company also manufactures custom laminated cable and complex rigid multilayer circuits.

Divisions and Subsidiaries:

Methuen Division
145 Milk Street
Methuen, Massachusetts 01844
(508) 685-4341

Laminated Cable Division
7 Industrial Way
Salem, New Hampshire 03079
(603) 89 -0040

Parlex Nevada, Inc.
3000 Conestoga Drive
Carson City, Nevada 89706
(702) 882-4165

Transfer Agent(s):

State Street Bank & Trust Company
Boston, Massachusetts 02101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PRLX (NASDAQ)

Number of Employees

1990	400	1988	675
1989	500		

Plant Footage

1990	186,000 sq. ft.	1988	186,000
1989	186,000		

Sales & Earnings

	Net Sales †	Net Income
1990	$ 29,944,149	$ (1,303,291)
1989	32,900,678	(2,179,400)
1988	35,432,927	249,002
1987	34,535,012	2,365,765
1986	28,255,000	2,239,000

	No. of Com. Shares +	Earn. per Share +
1990	2,388,607	$ —
1989	2,453,350	—
1988	2,484,521	0.10
1987	2,494,688	0.95
1986	2,472,010	0.91

(Loss)
† Of continuing operations only
+ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 13,551,141	$ 5.67
1989	15,229,557	6.21
1988	17,470,832	7.03
1987	17,716,480	7.10
1986	15,186,774	6.14

+ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *

Year ended June 30	1990	1989
Net sales	$ 29,944,149	$ 32,900,678
Cost of sales	27,675,606	31,039,641
Expenses	4,724,285	4,612,242
Oper. loss	$ (2,455,742)	$ (2,751,205)
Other income	(139,447)	(218,751)
Interest expense	148,609	194,288
Loss before taxes	$ (2,464,904)	$ (2,726,742)
Tax credit	(1,161,613)	(1,004,513)
Loss-cont. oper.	$ (1,303,291)	$ (1,722,229)
Loss-discont. oper.	—	(457,171)
Net Loss	$ (1,303,291)	$ (2,179,400)

* Included in Costs and Expenses, Depreciation and Amortization: $2,294,848 in 1990 and $2,308,297 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 478,331	$ 1,062,127
Accts. receiv., net	5,445,944	4,581,645
Refundable taxes	873,692	1,623,682
*Inventories	4,213,082	3,979,236
Other curr. assets	38,716	229,971
Current Assets	$ 11,049,765	$ 11,476,661
#Fixed assets	10,573,667	11,808,525
Other assets	114,296	54,066
Total Assets	$ 21,737,728	$ 23,339,252

Liabilities

Long-term debt, curr.	$ 214,686	$ 214,672
Accts. payable	2,212,525	2,100,198
Accruals	1,995,902	1,496,138
Current Liabilities	$ 4,423,113	$ 3,811,008
Long-term debt	1,699,685	1,836,424
Deferred inc. taxes	2,063,789	2,462,263
+Common stock	251,735	251,735
Add. paid-in capital	2,906,576	2,906,576
Retained earnings	11,391,080	12,694,371
Treasury stock	(998,250)	(623,125)
Total Liabilities & Shareholders' Equity	$ 21,737,728	$ 23,339,252

* At lower of cost (FIFO) or market. Work in progress represents costs accumulated under a job-cost accounting system less the estimated cost of shipments to date, in the aggregate not in excess of net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	7.11	8.27
Debt to Equity	0.14	0.13
Working Capital	$ 6,626,652	$ 7,665,653
Current Ratio	2.50	3.01
Shareholders Equity	$ 13,551,141	$ 15,229,557

The Penn Central Corporation

One East Fourth Street
Cincinnati, Ohio 45202
(513) 579-6600
FAX: (513) 579-0108

Officers: Carl H. Lindner, chairman of the board & chief executive officer; Ronald F. Walker, president & chief operating officer; Richard M. Haverland, exec. v.p.-Insurance Group; Neil M. Hahl, sr. v.p.; Robert W. Olson, sr. v.p., general counsel & secretary; David H. Street, sr. v.p.-finance; James E. Schwab, sr. v.p.; Robert J. Siverd, v.p. & associate general counsel; Robert F. Amory, v.p. & controller; Philip A. Hagel, v.p. & treasurer; R. Bruce Brumbaugh, v.p.-Risk Management; Robert E. Gill, v.p.-taxes; Gregory B. Kenny, v.p.-corp. development; Michael D. Mauer, v.p.-administration & human resources.

Directors: Carl H. Lindner*, chairman; Richard Dicker, A. Leon Fergenson, John W. Ingraham, Ronald F. Walker*, Thomas M. Hunt, John H. Williams*, Alfred W. Martinelli*, James E. Evans, S. Craig Lindner, Hugh F. Culverhouse, Theodore H. Emmerich.

* Member of the Executive Committee

Areas of Work: The company manufactures products and supplies services primarily in the areas of industrial manufacturing, defense services, insurance and energy.

Divisions and Subsidiaries:

Penn Central Federal Systems Company
Alexandria, Virginia
(703) 739-2400

Vitro Services Corporation
Ft. Walton Beach, Florida
(904) 244-7711
Manufacture of precision tracking and meteorological radar systems.

Vitro Corporation
Silver Spring, Maryland
(301) 231-1000
Systems and software engineering for the design, coordination and integration of components into unified and effective weapons systems for the U.S. Navy.

Guardian Products/Capital Wire
Greenwich, Connecticut
Manufactures and markets a broad range of electrical wire products for residential and commercial use.

General Cable Company
Woodbridge, New Jersey
(201) 636-5500
Manufacture of wire and cable and related products for the telecommunications market.

Marathon Manufacturing Companies
Houston, Texas
(713) 659-7444

Marathon Battery Company
Waco, Texas
(817) 776-0650
Manufacture of nickel-cadmium and magnesium batteries

Marathon Flite-Tronics Company
Burbank, California
(818) 841-3210
Manufacture of static inverters

Marathon LeTourneau Company
Houston, Texas
(713) 659-7444
Manufacture of mobile offshore oil and gas drilling rigs and components, marine repair and parts services, manufacture of heavy equipment.

DI Industries, Inc
Houston, Texas
Contract oil and gas drilling and oil well service and workover.

Carol Cable Company, Inc
Delaware
Supplies electrical and electronic wire and cable for the distributor, retail and original equipment manufacturer markets

Transfer Agent(s):

First Chicago Trust Co. of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Philadelphia, Pacific

Ticker Symbol: PC

Number of Employees:

1990	19,700	1987	15,700
1989	15,100	1986	24,300
1988	13,900		

Sales & Earnings

	Net Sales	Net Income
1990	$ 2,154,300,000	$ 97,800,000
1989	1,725,000,000	174,100,000
1988	1,546,500,000	103,400,000
1987	1,421,400,000	36,200,000
1986	1,938,800,000	154,200,000

	No. of Com Share	Earn. per Share ≠
1990	52,711,265	$ 1.60
1989	65,618,101	2.48
1988	71,031,791	1.46
1987	35,694,533	0.46
1986	39,131,651	1.92

≠ Based on the weighted average number of shares outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

	1990	1989
Insurance	$ 384,600	$ 271,000
Federal systems	397,900	389,700
Wire & cable	865,300	610,600
Heavy equip. mfg	302,400	264,200
Technical prods. & svcs	116,000	128,000
Energy & other	88,100	61,500
Total	$ 2,154,300	$ 1,725,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.53	—	—
1989	0.42	—	—
1988	0.10	—	—
1987	0.05	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 1,634,200,000	$ 31.00
1989	1,826,800,000	27.84
1988	1,769,900,000	24.92
1987	1,656,900,000	23.21
1986	2,092,200,000	26.73

‡ Adjusted to reflect stock split.

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Revenues		
Net sales	$ 1,769,700	$ 1,454,000
Net insur. premiums earned	342,000	231,100
Net invest. inc.-insur. oper.	42,600	39,900
Total income	$ 2,154,300	$ 1,725,000
Cost of sales	1,121,400	889,600
Oper. expenses	497,200	433,700
Insur. losses & exp.	347,800	233,600
Gen. & adm. expenses	61,600	69,000
Interest & dividend inc.	(90,800)	(108,300)
Interest & debt expense	52,000	27,900
Corp. & adm. expenses	24,200	21,200
Income taxes	8,600	8,300
Gain on stock issue of subsid.	(4,500)	—
Gain on dispos. of bus.	—	(74,700)
Other income	(8,200)	(7,700)
Income before taxes	$ 145,000	$ 232,400
Income taxes	47,200	58,300
Net Income	$ 97,800	$ 174,100

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $65,500,000 in 1990 and $52,900,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 34,600	$ 16,100
Receivables, net	514,800	372,800
*Inventories	355,800	280,600
Investments	537,700	1,209,100
Invest. of insur. oper.	997,200	488,300
≠Fixed assets	412,000	335,600
Cost in exc. of assets acq.	529,100	333,100
Other assets	165,700	142,600
Total Assets	$ 3,546,900	$ 3,178,200

Liabilities
(000's)

	1990	1989
Long-term debt	$ 525,400	$ 378,800
Accts. payable & accruals	403,100	350,200
Insurance claims & reserves	823,400	457,500
Minority interests	27,300	17,500
Deferred inc. taxes	29,700	29,700
Other liabilities	103,800	117,700
+Common stock	52,700	65,600
Add. paid-in capital	845,200	1,091,900
Retained earnings	736,300	669,300
Total Liabilities & Shareholders' Equity	$ 3,546,900	$ 3,178,200

* At lower of cost (FIFO) or market. The copper component of its wire and cable inventories at LIFO.
≠ Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	8.19	15.98
% Net Income to Sales	5.53	11.97
% Net Income to Equity	5.98	9.53
Sales to Inventories	4.97	5.18
Debt to Equity	0.32	0.21
Shareholders' Equity	$ 1,634,200,000	$ 1,826,800,000

Penril Corp.

1300 Quince Orchard Blvd.
Gaithersburg, Maryland 20878
(301) 417-0552
FAX: (301) 948-5761

Officers: Henry D. Epstein, chairman, president & chief exec. officer; Harry O. Christenson, exec. v.p. & chief operating officer; John D. Phillips, v.p. & president-Technipower; David L. Johnson, sr. v.p. & president- DataComm.

Directors: Henry D. Epstein, chairman; Dennis B. Heffernan, Richard D. Margolis, Harry O. Christenson, James S. Rice, John P. Lowe, Jr., Howard M. Schneider

Areas of Work: Designs, develops, manufactures and markets a broad line of data communications equipment, specialized electronic test instruments and power conversion equipment.

Divisions and Subsidiaries:

Penril DataComm Division
1300 Quince Orchard Blvd.
Gaithersburg, Maryland 20878
(301) 921-8600
FAX: (301) 921-8376
Designs, develops, manufactures and markets software, and data communications equipment, which includes statistical multiplexers and modular networking systems and a full range of state-of-the-art modems.

Electro-Metrics Division
100 Church Street
Amsterdam, New York 12010-4299
(518) 843-2600
FAX: (518) 843-2812
Manufactures sophisticated microprocessor-controlled test equipment to measure and record electromagnetic field signal strength.

Technipower Division
Commerce Drive
Commerce Industrial Park
Danbury, Connecticut 06810-9990
(203) 748-7001
FAX: (203) 797-9285
Manufactures power supplies, power control and power conversion equipment. The division also manufactures and markets autotransformers and automatic line voltage regulators.

Penril DataComm, Ltd
Grafton Way
West Ham Industrial Estate
Basingstoke, Hants, England RG22 6HW

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: PNL

Number of Employees:

1990	383	1987	440
1989	409	1986	1,150
1988	418		

Plant Footage:

1990	139,310 sq. ft.	1987	152,060
1989	142,970	1986	166,170
1988	127,520		

Sales & Earnings

	Revenues +	Net Income ‡
1990	$ 46,592,000	$ 5,416,000
1989	42,212,000	4,201,000
1988	39,027,000	2,184,000
1987	37,998,000	(11,038,000)
1986	31,835,000	(11,777,000)

	No. of Com. Shares #	Earn per Share ‡ #
1990	5,245,000	$ 1.11
1989	5,146,000	0.90
1988	3,999,000	0.57
1987	N A	—
1986	N A	—

(Loss)
N.A. - Not Available.
+ Of continuing operations only.
‡ Including extraordinary gains of $767,000 ($0.15 per share) in 1990, $1,049,000 ($0.34 per share) in 1989 and $261,000 ($0.09 per share) in 1988.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ —	25%	—
1989	—	20%	—
1988	—	—	—
1987	—	—	—
1986	0.08	—	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 13,791,000	$ 2.63
1989	8,121,000	1.58
1988	3,921,000	0.98
1987	1,554,000	—
1986	10,904,000	—

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended July 31	1990	1989
Revenues	$ 46,592,000	$ 42,212,000
Cost of revenues	23,921,000	21,749,000
Expenses	17,167,000	16,241,000
Interest expense	224,000	264,000
Interest income	(333,000)	(119,000)
Other expense	182,000	8,000
Income bef. taxes	$ 5,431,000	$ 4,069,000
Income taxes	367,000	196,000
Income - cont. oper	$ 5,064,000	$ 3,873,000
Loss - discont. oper	(415,000)	(721,000)
Net Income	$ 4,649,000	$ 3,152,000
Extraord. gain	767,000	1,049,000
Net Income & extraord. gain	$ 5,416,000	$ 4,201,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,417,000 in 1990 and $1,385,000 in 1989.

Assets

As of July 31	1990	1989
Cash & cash equiv	$ 5,897,000	$ 4,691,000
Accts. receiv., net	9,049,000	8,722,000
*Inventories	8,352,000	8,660,000
Other curr. assets	475,000	402,000
Current Assets	$ 23,773,000	$ 22,475,000
#Fixed assets	3,242,000	3,043,000
Other assets	1,809,000	1,980,000
Total Assets	$ 28,824,000	$ 27,498,000

Liabilities

	1990	1989
Long-term debt, curr	$ 923,000	$ 432,000
Accts. payable	3,756,000	3,803,000
Accrued comp	1,709,000	1,509,000
Income taxes	553,000	329,000
Other accruals	1,305,000	1,265,000
Curr. Liabilities	$ 8,246,000	$ 7,338,000
Long-term debt	6,523,000	11,810,000
Other liabilities	264,000	229,000
+ Common stock	35,000	27,000
Add. paid-in capital	16,047,000	15,926,000
Retained earnings (def.)	(2,393,000)	(7,809,000)
Foreign curr. trans	102,000	(23,000)
Total Liabilities & Shareholders' Equity	$ 28,824,000	$ 27,498,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1990	1989
% Net Income to Equity	33.71	38.81
Debt to Equity	0.54	1.51
Working Capital	$ 15,527,000	$ 15,137,000
Current Ratio	2.88	3.06
Shareholders' Equity	$ 13,791,000	$ 8,121,000

The Perkin-Elmer Corporation

761 Main Avenue
Norwalk, Connecticut 06859-0001
(203) 762-1000
FAX: (203) 762-6000

Officers: Gaynor N. Kelley, chairman, president & chief executive officer; Julianne A. Grace, v.p.-administration; C. Wendell Bergere, Jr., v.p., general counsel & secretary; Walter E. Morgan, sr. v.p.-Perkin-Elmer Business Development & Strategy; Robert J. Murphy, v.p.-sales & service; F. Gordon Bitter, v.p.-finance & chief financial officer; Riccardo Pigliucci, v.p.-Perkin-Elmer Instruments; Thomas R. Fisher, v.p. & gen. mgr.-Metco Division; Rhonda L. Seegal, treasurer; William B. Sawch, asst. secretary.

Directors: Horace G. McDonnell*, chairman of the board; E. Russell Eggers, J. David Parkinson*, John S. Scott*, James L. Bast, Donald R. Melville, Richard F. Tucker*, Joseph F. Abely, Jr.*, John M. Deutch, Gaynor N. Kelley*, George C. Dacey, Robert H. Hayes, Burnell R. Roberts, Richard H. Ayers.

* Member of the Executive Committee

Areas of Work: Products include analytical instruments and materials technology.

Divisions and Subsidiaries:

East Coast Instrument Division
Norwalk, Connecticut

West Coast Instrument Division
Cupertino, California

Sales and Service North America & Far East
Norwalk, Connecticut

Sales and Service Europe & Latin America
Padua, Italy

European Sales Support Center
Vatterstetten, West Germany

Bodenseewerk Perkin-Elmer
Uerberlingen, West Germany

Perkin-Elmer Limited
Beaconsfield, England and Llantrisant, Wales

Metco Division
Westbury, New York

Physical Electronics Division
Eden Prairie, Minnesota

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Pacific

Ticker Symbol: PKN

Number of Employees:

1990	6,442	1987	6,408
1989	6,585	1986	6,329
1988	6,553		

Plant Footage:

1990	2,660,449 sq. ft.	1988	2,182,532
1989	2,295,436	1987	2,269,000

Sales & Earnings

	Revenues +	Net Income
1990	$ 837,740,000	$ 44,229,000
1989	784,252,000	(24,151,000)
1988	683,791,000	71,762,000
1987	600,465,000	(18,178,000)
1986	525,785,000	72,572,000

	No. of Com. Shares †	Earn. per Share †
1990	40,270,000	$ 1.10
1989	43,452,000	—
1988	44,611,000	1.61
1987	45,095,000	—
1986	45,186,000	1.61

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Instruments	$ 690,100	$ 652,700
Material sciences	147,600	131,500
Total	$ 837,700	$ 784,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.68	—	—
1989	0.66	—	—
1988	0.60	—	—
1987	0.60	—	—
1986	0.59	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 391,064,000	$ 9.71
1989	612,005,000	14.08
1988	722,184,000	16.19
1987	695,628,000	15.43
1986	705,748,000	15.62

Based on the weighted average number of common shares and common share equivalents outstanding.

The Perkin-Elmer Corporation

Income Account *
(000's)

Year ended July 31	1990	1989
Net revenues	$ 837,740	$ 784,252
Cost of revenues	439,983	388,308
Expenses	326,179	311,199
Interest expense	15,632	16,996
Interest income	(8,613)	(5,657)
Other expense (income)	(991)	754
Income before taxes	$ 65,550	$ 72,652
Income taxes	21,321	24,974
Minority interest	—	781
Inc-cont. oper	$ 44,229	$ 46,897
Loss-discont. oper	—	(71,048)
Net Income (Loss)	$ 44,229	$ (24,151)

* Included in Costs and Expenses, Depreciation and Amortization: $29,105,000 in 1990 and $26,895,000 in 1989.

Assets

As of July 31	1990	1989
Cash & cash equiv	$ 10,629	$ 17,580
Accts. receiv., net	195,613	177,755
*Inventories	186,284	198,901
Taxes receiv	63,931	—
Prepaid inc. taxes	32,177	23,638
Prepaid expenses & other curr. assets	48,167	21,052
Current Assets	$ 536,801	$ 438,926
Marketable securities & time deposits	20,575	18,649
# Fixed assets	150,845	153,297
Other assets	144,901	385,662
Total Assets	$ 853,122	$ 996,534

Liabilities
(000's)

	1990	1989
Loan payable	$ 116,079	$ 110,544
Accts. payable	68,912	56,178
Accrued payroll	36,420	24,574
Accrued income taxes	46,986	50,556
Other accruals	82,601	66,673
Curr. Liabilities	$ 350,998	$ 308,725
Long-term debt	29,740	32,739
Other liabilities	51,307	43,065
+Common stock	35,412	45,544
Add. paid-in capital	92,849	121,752
Retained earnings	601,491	694,959
Cum. trans. adjust	13,893	1,106
Treasury stock	(52,581)	(51,356)
Total Liabilities & Shareholders' Equity	$ 853,122	$ 996,534

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Revenues	7.82	—
% Net Income to Revenues	5.28	—
% Net Income to Equity	11.31	—
Debt to Equity	0.37	0.05
Working Capital	$ 185,803,000	$ 130,201,000
Current Ratio	1.53	1.42
Shareholders' Equity	$ 391,064,000	$ 612,005,000

Personal Computer Products, Inc.

10865 Rancho Bernardo Road
San Diego, California 92127
(619) 485-8411
FAX (619) 487-5809

Officers: Edward W. Savarese, chairman of the board, pres. & chief exec. officer; Gerry B. Berg, v.p., operations, chief financial officer, secretary & treasurer; Joseph P. Sigismonti, v.p.-sales & marketing; Dale S. DeWoskin, v.p.-engineering.

Directors: Edward W. Savarese, chairman; Irwin Roth, Harry J. Saal, Gerry B. Berg.

Areas of Work: The Company develops, markets and supplies microcomputers and microcomputer accessory products and technology. Products include laser printers, a laser printer controller board, which enables the host computer to fully utilize the capacities of certain laser printer engines, an IBM PC-compatible modularized microcomputer and related add-on printed circuit boards, and microprocessor-based printed circuit boards designed to plug into Apple microcomputers.

Subsidiaries:

ImageSoft, Inc.
Port Washington, New York
Markets & sells a wide variety of software products for software developers and laser printer users.

Laser Printer Accessories Corporation
Delaware

Transfer Agent(s):

Bank of America National Trust & Savings Association
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PCPI (NASDAQ)

Number of Employees:

1990	72	1987	40
1989	85	1986	29
1988	56		

Plant Footage:

1990	27,000 sq. ft.	1987	9,000
1989	30,000	1986	9,400
1988	13,000		

Sales & Earnings

	Revenues	Net Income
1990	$ 13,374,700	$ (929,900)
1989	10,975,200	(924,400)
1988	10,794,100	(386,600)
1987	4,832,500	(818,800)
1986	2,301,100	(994,400)

	No. of Com. Shares ‡	Earn. per Share ‡
1990	3,913,600	$ —
1989	3,657,900	—
1988	3,468,400	—
1987	3,421,600	—
1986	3,402,000	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	2-for-1

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1990	$ (1,447,400)	$ —
1989	(1,612,500)	—
1988	(1,340,400)	—
1987	(1,368,600)	—
1986	(226,700)	—

(Deficiency)
† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1990	1989
Sales of prods.	$ 10,457,400	$ 9,455,000
License fees	2,917,300	1,520,200
Total revenues	$ 13,374,700	$ 10,975,200
Cost of revenues	8,202,300	8,309,100
Expenses	5,152,800	3,504,300
Interest income	(128,400)	(79,200)
Interest expense	383,800	302,200
For. curr. translation	636,200	(170,800)
Loss bef. taxes	$ (872,000)	$ (890,400)
Income taxes	57,900	34,000
Net Loss	$ (929,900)	$ (924,400)

* Included in Costs and Expenses, Depreciation and Amortization: $142,200 in 1990 and $192,500 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv	$ 652,900	$ 633,500
Short-term invest.	437,400	2,345,200
Accts. receiv., net	3,587,200	2,649,300
*Inventories	2,040,600	2,583,600
Prepaid expenses	723,500	194,100
Other curr. assets	456,500	197,800
Current Assets	$ 7,898,100	$ 8,603,500
# Fixed assets	363,600	264,400
Long-term receiv.	376,000	270,000
Debt issuance costs	39,000	121,700
Cap. software develop. costs	544,400	601,000
Other assets	179,200	103,100
Total Assets	$ 9,400,300	$ 9,963,700

Liabilities

	1990	1989
Notes payable	$ —	$ 750,000
Convert. subord. notes pay	4,383,300	—
Accts. payable	1,662,000	1,371,000
Accruals	587,800	506,900
Other curr. liabilities	93,400	90,200
Curr. Liabilities	$ 6,726,500	$ 2,718,100
Covert. subord. notes pay	—	3,631,400
Other liabilities	14,200	24,700
+ Preferred stock	4,107,000	5,202,000
++ Common stock	21,700	20,200
Add. paid-in capital	4,611,200	3,517,700
Retained earn. (deficit)	(6,080,200)	(5,150,300)
Treasury stock	(100)	(100)
Total Liabilities & Shareholder's Equity	$ 9,400,300	$ 9,963,700

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $1,000 par value 5% convertible
++ $0.005 par value

Statistical Summary

	1990	1989
Sales to Inventories	5.12	3.66
Debt to Equity	1.65	1.22
Working Capital	$ 1,171,600	$ 5,885,400
Current Ratio	1.17	3.17
Shareholders' Equity	$ 2,659,600	$ 3,589,500

Philips' Gloeilampenfabrieken

(N.V. Philips' Gloeilampenfabrieken)

Groenewoudseweg 1
5621 BA Eindhoven, The Netherlands
31-40-783495
FAX 31-40-785486

(The Company is 99.99%-owned by N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken, which operates solely as the holding company for share capital of the Company.)

Supervisory Board: W. Dekker, chairman; A. Leysen, vice chairman; A. Jiskoot, secretary; N. Rodenburg, Sir Peter Carey, C. M. Mueller, P. Leenman, F. X. Ortoli, M. Kuilman, J.F. Bennett, P.G. Gyllenhammar, W. Hilger, G. Jeelof

Board of Management/Group Management Committee: J. D. Timmer, pesident & chairman of the Board of Management and the Group Management Committee; K. Hubee, v.p. and vice chairman of the Board of Management and the Group Management Committee; Y. G. Bouwkamp, v.p. & vice chairman of the Board of Management and the Group Management Committee; S. van Houten, member of the board of management and the Group Management Committee; H.H.A. Appelo, member of the board of management and the General Management Committee; W. de Kleuver, member of the Group Management Committee and the Senior Management of the Components Division; J. Meyer, member of the Group Management Committee and chairman of the Senior Management of the Consumer Electronics Division; E. Kloster, member of the Group Management Committee and chairman of the Senior Management of the Lighting Division; H. Bodt, member of the General Management Committee

Areas of Work: The Company manufactures and distributes products in the areas of Lighting, Consumer Electronics, Domestic Appliances, Professional Products and Systems, Components, and Miscellaneous.

Lighting products include incandescent, halogen, and automobile lamps; high- and low-pressure gas-discharge lamps and ballasts; luminaires and lighting electronics; lighting projects; batteries; glass; diamond drawing dies, wire and other components.

Consumer Electronics products include television and radio receivers, monitors, audio and video recorders, video camera recorders, audio and video cassettes, playback equipment for sound and vision, sound and vision carriers, home computers, videotex terminals and other home interactive systems, and hearing aids.

Domestic Appliances include washing machines and dryers, dishwashers, refrigerators and freezers, cookers, microwave ovens, fitted kitchen equipment, vacuum cleaners, electric irons, food preparation machines, food processors, mixers and other small kitchen appliances, coffee makers and toasters, deep-fat friers and grills, fan and heaters, clocks, and electric shavers, hair dryers, solaria and other personal care products.

Professional Products and Systems include telecommunications systems, cable products and systems, defense systems, road, water and air traffic control systems, ground weather stations, mobile radios, dictation machines, office automation and communication systems, medical systems for diagnosis and therapy, analytical equipment, electronic test and measuring instruments, products and systems for factory automation and process automation, automation projects, audio-visual communication systems, electronic security systems, and machines and tools.

Components include picture tubes and television glass, integrated circuits and discrete semiconductors, passive components and materials, special tubes and professional components, optical and magnetic data storage products, display products, glass, metal and plastic components, and printed circuit boards.

Miscellaneous products include brush products and plastics products, and electrical parts.

The Company also engages in extensive research and development activities.

Subsidiaries (The Netherlands):

Nederlandse Philips Bedrijven B.V.
Philips Telecommunicatie en Data Systemen Nederland B.V.
Philips International B.V.
Philips Export B.V.
Philips Lighting Holding B.V.
Philips Lighting B.V.
Philips Medical Systems International B.V.
Philips Medical Systems Nederland B.V.
Polygram N.V. (90%-owned)
Polygram Nederland B.V.
Philips and Du Pont Optical Company (50%-owned)
Whirlpool International B.V. (47%-owned)
AT&T Network Systems International B.V. (40%-owned)
A & M Records, Inc.

Subsidiaries (U.S.A.):

FGP Corporation
North American Philips Corporation
Laser Magnetic Storage International Company (51%-owned)
OptImage Interactive Services Company (50%-owned)
U.S. Philips Corporation
Philips Medical Systems North America, Inc.
Polygram Records, Inc.

Subsidiaries (Canada):

Philips Canada Ltd.
Philips Electronics Ltd.

Stock Exchange(s): Amsterdam, New York, Tokyo

Ticker Symbol: PHG (New York)

Number of Employees: *

1990	272,800	1987	337,000
1989	305,000	1986	344,000
1988	310,000		

* Includes the entire Philips Group

Sales & Earnings

		Net Sales (000's)		Net Income † (000's)
1990	f	55,764,000	f	(4,240,000)
1989		57,224,000		1,374,000
1988		56,079,000		1,056,000
1987		52,715,000		818,000
1986		55,037,000		1,015,000

	No. of Com. Shares		Earn. per Share † ‡
1990	297,200,000	f	—
1989	276,500,000		5.16
1988	259,900,000		4.12
1987	255,300,000		3.33
1986	232,500,000		4.39

( ) Loss
f - guilder
† Including extraordinary gains of f286,000,000 in 1990, f582,000,000 (f2.10 per share) in 1989, f525,000,000 (f2.06 per share) in 1988 and f279,000,000 (f1.09 per share) in 1987
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business
(000's)

		1990		1989
Lighting	f	7,026,000	f	7,521,000
Consumer products		25,400,000		23,518,000
Professional prods. & syst.		13,059,000		15,751,000
Components		8,161,000		8,473,000
Miscellaneous		2,118,000		1,961,000
Total	f	55,764,000	f	57,224,000

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1990	f	—		
1989		2.00		
1988		2.00		
1987		2.00		
1986		2.00		

Common Stock Equity

		Total Equity (000's)		Equity Per Share ‡
1990	f	11,165,000	f	37.69
1989		16,888,000		61.09
1988		16,540,000		64.16
1987		15,514,000		60.78
1986		15,858,000		68.20

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *
(000's)

Year ended Dec. 31		1990		1989
Net sales	f	55,764,000	f	57,224,000
Cost of sales		41,667,000		43,138,000
Expenses				
Selling		10,905,000		10,961,000
Gen. & adm.		1,086,000		1,089,000
Other income		(154,000)		(598,000)
Restructuring expense		4,649,000		340,000
Gearing adjust.		29,000		(297,000)
Interest expense		1,684,000		1,324,000
Inc. (loss) bef. taxes	f	(4,102,000)	f	1,267,000
Income taxes		345,000		521,000
Eq. in inc. of unconsol. cos.		(83,000)		(190,000)
Share of other group capital		162,000		144,000
Net Income (Loss)	f	(4,526,000)	f	792,000
Extraord. gain		286,000		582,000
Net Income (Loss) & extraord. gain	f	(4,240,000)	f	1,374,000

* Included in Costs and Expenses, Depreciation f3,914,000,000 in 1990 and f3,431,000,000 in 1989

Assets
(000's)

As of Dec. 31		1990		1989
Cash	f	2,371,000	f	1,400,000
Marketable securities		148,000		147,000
Accts. recev., net		14,438,000		16,080,000
*Inventories		11,564,000		12,840,000
Current Assets	f	28,521,000	f	30,467,000
Unconsolidated cos.		3,090,000		3,330,000
≠Fixed assets		16,693,000		18,596,000
Intangibles		1,123,000		624,000
Other assets		2,168,000		1,962,000
Total Assets	f	51,595,000	f	54,979,000

Liabilities
(000's)

Long-term debt, curr.	f	4,083,000	f	5,577,000
Debentures		918,000		677,000
Prepayments recev.		421,000		784,000
Accts. payable		4,009,000		4,270,000
Inc. tax payable		219,000		429,000
Other taxes payable		1,047,000		1,047,000
Other debt		1,262,000		1,831,000
Accrued pensions		4,000		3,000
Other accruals		4,609,000		4,678,000
Curr. Liabilities	f	16,572,000	f	19,296,000

Long-term provisions	6,643,000	4,436,000
Short-term provisions	3,276,000	2,102,000
Long-term liabilities	11,887,000	10,036,000
+Common stock	2,972,000	2,765,000
Add. paid-in capital	2,637,000	2,494,000
Revaluation surplus	10,512,000	10,094,000
Retained earnings	6,341,000	10,335,000
Goodwill	(1,995,000)	(1,168,000)
For. curr. trans. adjust	(9,302,000)	(7,632,000)
Other group capital	2,052,000	2,221,000
Total Liabilities & Shareholders' Equity	f 51,595,000	f 54,979,000

* Based on current value less a provision to cover the risk of obsolescence.
# Less accumulated depreciation.
+ f10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.21
% Net Income to Sales	—	1.38
% Net Income to Equity	—	4.69
Sales to Inventories	4.82	4.46
Debt to Equity	1.45	0.87
Working Capital (000's)	f 11,949,000	f 11,171,000
Current Ratio	1.72	1.58
Shareholders' Equity (000's)	f 11,165,000	f 16,888,000

Photographic Sciences Corporation

770 Basket Road
P.O. Box 448
Webster, New York 14580
(716) 265-1600
FAX: (716) 265-1689

Officers: Robert S. Ehrlich, chairman; L. Michael Hone, president & chief executive officer; Jay Eastman, exec. v.p.; David A. Kostizak, v.p., secretary & treasurer; John A. Boles, v.p.-engineering.

Directors: Robert S. Ehrlich, chairman; A. R. Solomon, Milton P. Axelrod, Donald K. Hess, L. Michael Hone, James W. Henry, James O'Shea, Jack E. Rosenfeld, Justin L. Vigdor.

Areas of Work: A leading manufacturer of equipment serving the worldwide bar code industry. The Bar Code Equipment Group designs, produces and markets hand-held bar code laser scanners. PSC's Image Products Group employs CAD technology to produce precision bar code film masters. AD Data Systems Corporation is a subsidiary of PSC, encompassing the Switching Systems Group. It is a manufacturer of high performance reed-relay switching systems.

Subsidiaries:

Photographic Sciences GmbH

Optel Systems Inc

Optel Bar Code Systems, Inc

Techtran Inc

A. D. Data Systems Corporation

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York 10001

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PSCX (NASDAQ)

Number of Employees:

1990	162	1987	N.A.
1989	154	1986	141
1988	114		

Plant Footage:

1990	31,000 sq. ft.	1987	N.A.
1989	N.A.	1986	42,000
1988	28,200		

N.A. - Not Available

Sales & Earnings

	Net Sales +	Net Income
1990	$ 16,434,000	$ 728,571
1989	12,209,551	353,159
1988	10,136,695	(180,660)
1987	8,807,768	(3,842,889)
1986	5,652,263	(571,921)

	No. of Com. Shares ‡	Earn. per Share ‡
1990	5,679,673	$ 0.13
1989	5,069,700	0.07
1988	4,468,538	—
1987	3,826,845	—
1986	2,369,949	—

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 5,387,745	$ 0.95
1989	4,471,926	0.88
1988	2,680,807	0.60
1987	2,514,731	0.66
1986	3,168,525	1.34

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 16,434,000	$ 12,209,551
Cost of sales	9,874,900	7,206,317
Expenses	5,237,923	4,376,427
Gain on sale of bldg	—	(144,900)
Interest income	(15,937)	(27,900)
Interest expense	528,940	442,046
Other expense (income)	27,803	(126)
Income bef. taxes	$ 780,371	$ 357,687
Income taxes	51,800 *	—
Inc. cont. oper	$ 728,571	$ 357,687
Loss discont. oper	—	(4,528)
Net Income	$ 728,571	$ 353,159

* Included in Costs and Expenses, Depreciation and Amortization: $504,336 in 1990 and $418,286 in 1989.

Assets

As of Dec. 31	1990	1989
Cash	$ 1,308,116	$ 427,455
Accts. receiv., net	2,455,220	2,449,868
*Inventories	1,733,708	1,714,092
Prepaid expenses	201,218	52,383
Current Assets	$ 5,698,262	$ 4,643,798
\#Fixed assets	2,847,304	2,568,123
Intangibles	3,358,419	3,493,339
Other assets	138,777	175,160
Total Assets	$ 12,042,762	$ 10,880,420

Liabilities

Revolv. line of credit	$ 1,412,710	$ 1,202,410
Long-term debt, curr	499,263	398,966
Accts. payable	1,389,691	1,563,915
Accruals	612,810	358,441
Accrued payroll	334,040	296,446
Other curr. liab	80,400	119,849
Curr. Liabilities	$ 4,328,914	$ 3,940,027
Long-term debt	2,228,303	2,307,667
Retirement agree	80,400	160,800
Deferred inc. taxes	17,400	—
+Common stock	53,466	52,799
Add. paid-in capital	11,675,440	11,488,859
Retained earnings (deficit)	(6,341,161)	(7,069,732)
Total Liabilities & Shareholders' Equity	$ 12,042,762	$ 10,880,420

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.75	—
% Net Income to Sales	4.43	—
% Net Income to Equity	13.52	7.90
Sales to Inventories	9.48	7.12
Debt to Equity	0.77	0.87
Working Capital	$ 1,369,348	$ 703,771
Current Ratio	1.32	1.18
Shareholders' Equity	$ 5,387,745	$ 4,471,926

Pico Products, Inc.

103 Commerce Boulevard
Liverpool, New York 13088
(315) 451-7700
FAX: (315) 451-7904

Officers: Bernard K. Hitchcock, chairman & chief exec. officer; George M. Knapp, president & chief operating officer; Peter D. Smith, chief financial officer, secretary & treasurer.; Harold R. Thrippleton, v.p. eastern operations.

Directors: Bernard K. Hitchcock, chairman; George M. Knapp, J. Michael Sills, Walter R. Woods.

Areas of Work: Designs, manufactures, imports and markets a wide range of products which receive, distribute, and secure telecommunications signals. Products include cable and video accessories, satellite systems for home and commercial applications, and Pay TV security devices.

Divisions:

Pay TV Security (CATV) Division
Liverpool, New York
Sells several types of Pay TV security products, including notch filter traps, decoders, encoders and accessories.

Printed Circuit Board Division
Produces single- and double-sided printed circuit boards.

Microwave Components Division
Liverpool, New York
Manufactures, imports and sells certain microwave components to the commercial and receive only satellite industries.

Subsidiaries:

Pico Macom, Inc
12500 Foothill Boulevard
Lakeview Terrace, California 91342

Pico Macom Taiwan, Ltd
Room 706, No. 136
Sec. 3 Jen-Ai Road
Taipei, Taiwan, R.O.C.

Pico (St. Kitts) Limited
P.O. Box 328
Pond Industrial Estate
Basseterre, St. Kitts, West Indies

Pico (St. Vincent) Limited
Campden Park Industrial Estate
Saint Vincent, West Indies

Pico Cargo, Inc
Pico Satellite, Inc

Transfer Agent(s):

Chase Lincoln First Bank, N.A
P.O. Box 1250
20 Clinton Avenue South
Rochester, New York 14603

Stock Exchange(s): American

Ticker Symbol: PPI

Number of Employees:

1989	292	1987	644
1988	680	1986	357

Plant Footage:

1989	168,000 sq. ft.	1987	209,000
1988	156,280	1986	215,000

Sales & Earnings

	Net Sales	Net Income †
1989	$ 29,012,000	$ (5,684,000)
1988	33,781,000	(687,000)
1987	32,073,000	430,000
1986	25,778,000	(2,549,000)
1985	23,849,000	(8,813,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	3,539,000	$ —
1988	3,539,000	—
1987	3,541,000	0.12
1986	3,519,000	—
1985	3,512,000	—

(Loss)
† Including extraordinary gain of $39,000 ($0.01 per share) in 1987
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 7,259,000	$ 2.04
1988	12,816,000	3.62
1987	13,544,000	3.85
1986	13,125,000	3.73
1985	15,677,000	4.45

Income Account *

Year ended July 31	1989	1988
Net sales	$ 29,011,731	$ 33,780,620
Cost of sales	24,024,824	26,673,305
Expenses	7,212,969	7,625,382
Interest expense	824,672	523,786
Unusual charges	3,304,361	989,302
Other income	(671,303)	(824,954)
Loss bef. change in acct. method	$ (5,683,792)	$ (1,206,201)
Cum. effect of acct. change	—	519,527
Net Loss	$ (5,683,792)	$ (686,674)

* Included in Costs and Expenses, Depreciation and Amortization: $974,931 in 1989 and $1,135,348 in 1988

Assets

As of July 31	1989	1988
Cash	$ 970,653	$ 921,698
Accts. receiv., net	3,836,260	3,136,173
*Inventories	6,017,918	10,134,964
Prepaid expenses	563,060	690,163
Current Assets	$ 11,387,891	$ 14,882,998
#Fixed assets	4,526,120	6,175,056
Patents & licenses	1,170,155	1,349,610
Exc. of cost over assets acq	411,421	440,293
Other assets	301,490	663,108
Total Assets	$ 17,797,077	$ 23,511,065

Liabilities

	1989	1988
Notes payable	$ 2,308,093	$ 3,189,725
Long-term debt, curr	521,539	358,518
Accts. payable	2,547,252	2,691,905
Accrued payroll	311,258	573,546
Accrued commissions	29,734	33,724
Accrued interest	31,258	17,224
Curr. Liabilities	$ 5,749,134	$ 6,864,642
Long-term debt	4,788,752	3,829,978
+Common stock	35,559	35,392
Add. paid-in capital	21,473,620	21,454,247
Retained earnings (deficit)	(14,254,604)	(8,570,812)
Cum. trans. adjust	4,616	(102,382)
Total Liabilities & Shareholders' Equity	$ 17,797,077	$ 23,511,065

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1989	1988
Sales to Inventories	4.82	3.33
Debt to Equity	1.05	0.58
Working Capital	$ 5,638,757	$ 8,018,356
Current Ratio	1.98	2.17
Shareholders' Equity	$ 7,259,191	$ 12,816,445

Pioneer Electronic Corporation

4-1, Meguro 1-chome
Meguro-ku, Tokyo 153, Japan
(03) 494-1111
FAX: (03) 495-4428

Officers: Seiya Matsumoto*, president & representative director; Kanya Matsumoto*, executive v.p.; Takeo Yamamoto, exec. v.p.; Kiichi Yoshida, senior managing director; Teruhiko Isobe, senior managing director; Keiichi Yanagisawa, sr. managing director; Masaru Inagaki, sr. managing director; Kaneo Ito, sr. managing director; Masaaki Sono, managing director; Akitaka Kato, mamnaging director; Shigeyoshi Yanagi, managing director; Norio Ichimura, director; Tsuneo Kudo, director; Fusao Murakami, director; Ryuichi Noda, director; Hitoshi Kanamaru, director; Makito Baba, Director; Masanao Okatani, Director; Yoshimichi Inada, Director; Katsuhiro Abe, Director; Toyokatsu Okushi, director

* Member of the Executive Committee

Areas of Work: The Company manufactures and markets electronics products in four groups: Audio Products, Video Products, Car Electronics Products and others. Audio Products include floor-type and shelf-type packaged stereo component systems, receivers, amplifiers, tuners, turntables, CD and multi-play CD players, digital audio tape and cassette tape decks, speaker systems, CDs and CDVs. Video products include laser disc (LD laser-optical videodisc) players, CD/CDV/LD players, Laser karaoke (LD singalong) systems, "Laser Juke" (LD jukebox) systems, laser discs, AV Component systems, projection and TV monitor-receivers, color monitors, videocassette recorders, optical-disk subsystems and satellite broadcast receivers. Car electronics products include component-type and combination car stereos, car CD players, car speakers and personal communications transceivers. Others include cable-TV systems-related equipment, loudspeakers for other manufacturers, dictating machines, telephones, telephone-related equipment, loudspeakers for other manufacturers, dictating machines, telephones, telephone-answering devices and other telephone-related equipment, factory-automation systems for other manufacturers, and tape playback equipment for children

Subsidiaries (North America):

Pioneer Electronics (USA) Inc
2265 East 220th Street
P.O. Box 1720
Long Beach, California 90801-1720
(213) 835-6177
Distribution of Pioneer consumer products (except laser discs)

Pioneer Laser Entertainment, Inc
California
Distribution of Pioneer laser disc (LD) related entertainment equipment

Pioneer Electronics Technology, Inc
California
Manufacture of Pioneer audio and video products.

Pioneer Video Manufacturing Inc
California
Manufacture of Laser discs

Pioneer LDCA, Inc
California
Planning and production of programs for and the distribution of laser discs

Pioneer Communications of America, Inc
New Jersey
Distribution of Pioneer cable -TV systems-related equipment and industrial-use video products

Pioneer Industrial Components, Inc
Ohio
Manufacture and distribution of car electronics products to automobile manufacturers and, along with loudspeaker units, to others

Pioneer North America, Inc
California

Discovision Associates
California

Pioneer Electronics of Canada, Inc
Ontario, Canada
Distribution of Pioneer products

Subsidiaries (Japan):

Pioneer LDC, Inc
Tokyo, Japan
Planning and production of programs for, and the distribution of, audio-video software including laser discs

Tohoku Pioneer Electronic Corporation
Yamagata, Japan
Manufacture of Pioneer car-electronics products

Pioneer Video Corporation
Yamanashi, Japan
Manufacture of LD players and discs

Pioneer Precision Machinery Corporation
Saitama, Japan
Manufacture of parts for Pioneer products

Hiwada Electronic Corporation
Fukushima, Japan
Manufacture of parts for Pioneer products

TECHNO Corporation
Shizuoka, Japan
Manufacture of Pioneer audio products

Pioneer Communications Corporation
Saitama, Japan

Pioneer International Inc

Pioneer Electronic Corporation

Transfer Agent(s):

The Toyo Trust & Banking Co., Ltd
4-3, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100, Japan

Depositary and Registrar (for American Depositary Receipts):

American Depositary Receipts Department
Chemical Bank
55 Water Street
New York, New York 10041 U S A

Custodian (for American Depositary Receipts):

The Bank of Tokyo, Ltd
6-3, Nihombashi Hongoku-cho 1-chome
Chuo-ku, Tokyo 103, Japan

Stock Exchange(s): Tokyo, Osaka, New York, Amsterdam, Luxembourg

Ticker Symbol: PIO (New York Stock Exchange--ADR)

Number of Employees:

1990	13,898	1987	12,745
1989	12,919	1986	12,437
1988	12,942		

Plant Footage:

1990	N A	1987	3,526,000
1989	3,794,000 sq ft	1986	3,435,000
1988	3,687,000		

N A -Not Available

Sales & Earnings

	Net Sales (millions)	Net Income † (millions)
1990	¥ 511,702	¥ 29,456
1989*	224,862	9,801
1988	404,046	18,409
1987	365,562	11,337
1986	347,006	5,369

	No. of Com Shares ‡	Earn per Share † ‡
1990	168,000,000	¥ 175.33
1989*	166,373,000	58.91
1988	166,373,000	110.65
1987	166,373,000	68.14
1986	166,373,000	32.27

(Loss)
¥ - Yen
* 6 months
† Including extraordinary gains of ¥ 660,000,000 (¥ 3.97 per share) in 1989, ¥ 1,678,000,000 (¥ 10.09 per share) in 1988, ¥ 1,224,000,000 (¥ 7.35 per share) in 1987 and ¥ 1,290,000,000 (¥ 7.75 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues By Line of Business
(millions)

	1990	1989
Audio products	¥ 178,936	¥ 89,829
Video products	152,886	58,966
Car electronics products	148,673	61,790
Other	31,267	14,277
Total	¥ 511,702	¥ 224,862

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	¥ 18.72	10%	—
1989	9.09	—	—
1988	18.18	—	—
1987	14.88	—	—
1986	9.92	—	—

+ Adjusted to reflect stock dividend

Common Stock Equity

	Total Equity (millions)	Equity Per Share ‡
1990	¥ 291,015	¥ 1,732.23
1989	187,922	1,129.52
1988	179,748	1,080.39
1987	166,530	1,000.94
1986	157,450	946.37

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *
(millions)

Year ended Mar 31	1990 (6 months)	1989
Net sales	¥ 511,702	¥ 224,862
Other income	10,730	4,390
Total income	¥ 522,432	¥ 229,252
Cost of sales	307,402	146,350
Expenses	135,237	57,178
Interest expense	4,987	1,698
Other expense	10,992	3,675
Income before taxes	¥ 63,814	¥ 20,351
Income taxes	34,626	11,504
Eq in earn of affil cos	(268)	(294)
Net Income	¥ 29,456	¥ 9,141
Extraord gain		660
Net Income & extraord gain	¥ 29,456	¥ 9,801

* Included in Costs and Expenses, Depreciation and Amortization ¥ 21,125,000,000 in 1990 and ¥ 7,636,000,000 in 1989.

Assets
(millions)

As of Mar 31	1990	1989
Cash & time deposits	¥ 109,660	¥ 60,132
Assets purch under agree to resell	10,055	7,717
Marketable securities	1,910	1,109
Accts recev , net	95,887	73,101
*Inventories	75,815	56,656
Inc tax prepayments	11,810	9,241
Prepaid expenses	9,773	8,958
Current Assets	¥ 314,910	¥ 216,914
Market equity securities	9,381	8,230
Investments & advances	15,557	23,017
Long-term recev	136	146
#Fixed assets	86,977	67,907
Other assets	37,349	7,022
Total Assets	¥ 464,310	¥ 323,236

Liabilities
(millions)

Bank loans	¥ 36,787	¥ 39,829
Notes payable	31,350	24,550
Accrued taxes	25,598	11,163
Accrued payroll	11,850	9,893
Other accruals	26,005	19,988
Dividends payable	1,632	1,512
Other current liabilties	11,747	11,150
Curr Liabilities	¥ 144,969	¥ 118,085
Long-term debt	21,896	11,617
Accrued pension & sever cost	5,059	4,864
Minority interests	1,371	748
+Common stock	48,431	15,779
Add paid-in capital	80,555	47,902
Legal reserve	3,312	2,957
Retained earnings	154,650	129,802
Cum trans adjust	4,067	(8,518)
Total Liabilities & Shareholders' Equity	¥ 464,310	¥ 323,236

* At cost or less, not in excess of market, by the average cost method
# Less accumulated depreciation
+ ¥ 50 par value

Statistical Summary

% Income bef taxes to Sales	12.47	9.05
% Net Income to Sales	5.76	4.07
% Net Income to Equity	10.12	4.86
Sales to Inventories	6.75	3.97
Debt to Equity	0.31	0.27
Working Capital (000's)	¥ 169,941,000	¥ 98,829,000
Current Ratio	2.17	1.84
Shareholders' Equity (000's)	¥ 291,015,000	¥ 187,922,000

Pioneer-Standard Electronics, Inc.

4800 East 131st Street
Cleveland, Ohio 44105
(216) 587-3600
FAX: (216) 663-1004

Officers: Preston B Heller, Jr., chairman & chief executive officer; James L Bayman, president & chief operating officer; John V Goodger, v.p., treasurer & assistant secretary; Janice M Margheret, v.p & controller; Arthur Rhein, v.p.-marketing; William A Papenbrock, secretary

Directors: Preston B Heller, Jr., chairman; Victor Gelb, Edwin Z Singer, Frederick A Downey, James L Bayman, Thomas C Sullivan, Arthur Rhein, Karl E Ware, Gordon E Heffern

Areas of Work: Distributes industrial and consumer electronic components, primarily east of the Rocky Mountains

Divisions:

Pioneer/Mid-American Division
4433 Interpoint Boulevard
Dayton, Ohio 45424
(513) 236-9900

Distributes industrial-type electronic components to manufacturers, research laboratories, schools, governmental agencies, and other users.

Pioneer/Northeast Division
60 Crossways Park West
Woodbury, New York 11797

Affiliate:

Pioneer Technologies Group, Inc
(50% owned)
9100 Gaither Road
Gaithersburg, Maryland 20760
(301) 948-0710

Distributes industrial-type electronic components to manufacturers, research laboratories, schools, governmental agencies, and other users.

Compumech Electronics, Inc
Los Alamitos & Milpitas, California

Engaged in application engineering and the marketing of power supplies, power conditioning equipment and uninterruptible power supplies to West Coast customers.

Transfer Agent(s):

AmeriTrust Company National Association
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PIOS (NASDAQ)

Number of Employees:

1990	876	1987	837
1989	936	1986	936
1988	860		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 319,908,000	$ 5,744,000
1989	302,308,000	6,722,000
1988	254,581,000	5,203,000
1987	212,234,000	462,003
1986	186,805,000	(2,072,629)

	No. of Com. Shares ≠	Earn. per Share ≠
1990	5,402,000	$ 1.06
1989	5,402,000	1.24
1988	5,402,000	0.96
1987	5,402,000	0.09
1986	5,402,000	—

( ) Loss
+ Of continuing operations only
≠ Based on the average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.14	—	—
1989	0.13	—	—
1988	0.12	—	—
1987	0.12	—	—
1986	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share ≠
1990	$ 44,795,000	$ 8.29
1989	39,807,000	7.37
1988	33,787,000	6.25
1987	29,232,277	5.41
1986	29,418,506	5.45

≠ Based on the average number of shares outstanding

Income Account *

Year ended March 31	1990	1989
Net sales	$ 319,908,000	$ 302,308,000
Cost of sales	247,391,000	233,266,000
Expenses	58,546,000	52,451,000
Oper. profit	$ 13,971,000	$ 16,591,000
Eq. in earn. of 50% owned co.	(490,000)	(100,000)
Interest expense	4,946,000	5,601,000
Inc. bef. taxes	$ 9,515,000	$ 11,090,000
Income taxes	3,771,000	4,576,000
Inc. cont. oper.	$ 5,744,000	$ 6,514,000
Inc. discont. oper.	—	208,000
Net Income	$ 5,744,000	$ 6,722,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,843,000 in 1990 and $2,762,000 in 1989.

Assets

As of March 31	1990	1989
Cash	$ 3,485,000	$ 3,157,000
Accts. receiv., net	51,256,000	44,232,000
*Inventories	56,786,000	61,084,000
Prepaid expenses	308,000	521,000
Deferred inc. taxes	2,249,000	1,793,000
Current Assets	$ 114,084,000	$ 110,787,000
Investments & other assets	9,593,000	9,129,000
≠Fixed assets	21,329,000	13,265,000
Total Assets	$ 145,006,000	$ 133,181,000

Liabilities

	1990	1989
Notes payable	$ 4,000,000	$ 2,000,000
Long-term debt, curr.	491,000	306,000
Accts. payable	35,562,000	27,854,000
Income taxes	912,000	1,437,000
Accrued payroll	3,583,000	3,065,000
Other accruals	5,137,000	3,267,000
Curr. Liabilities	$ 49,685,000	$ 37,929,000
Long-term debt	49,374,000	54,381,000
Def. inc. taxes	1,152,000	1,064,000
+Common stock	5,402,000	5,402,000
Add. paid-in capital	1,326,000	1,326,000
Retained earnings	38,067,000	33,079,000
Total Liabilities & Shareholders' Equity	$ 145,006,000	$ 133,181,000

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ No par value. $1 stated value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	2.97	—
% Net Income to Sales	1.80	—
% Net Income to Equity	12.82	16.89
Sales to Inventories	5.63	4.95
Debt to Equity	1.20	1.42
Working Capital	$ 64,399,000	$ 72,858,000
Current Ratio	2.30	2.92
Shareholders' Equity	$ 44,795,000	$ 39,807,000

Pitney Bowes Inc.

Stamford, Connecticut 06926-0700
(203) 356-5000
FAX: (203) 351-6158

Officers: George B. Harvey, chairman, president & chief exec. officer; Steven J. Green, v.p. & controller; Marc C. Breslawsky, pres.-Pitney Bowes Office Systems; Carmine F. Adimando, v.p.-finance & administration and treasurer; Paul Reece, v.p.-technical systems & advanced products; Michael J. Critelli, v.p., secretary & general counsel; Hiro R. Hiranandani, president-Pitney Bowes Business Systems, International; Douglas A. Riggs, v.p.-corp. planning, communications & external affairs; John J. Canning, pres.-Pitney Bowes Financial Services; Carole F. St. Mark, pres.-Pitney Bowes Business Supplies and Services; John T. Herbert, v.p.-facilities & operation services.

Directors: George B. Harvey, chairman; Colin G. Campbell, Donald W. Davis, John C. Emery, Jr., Charles E. Hugel, David T. Kimball, Phyllis Shapiro Sewell, Arthur R. Taylor, Julia M. Walsh.

Areas of Work: The Company manufactures, markets and services products in three industry segments: business equipment, business supplies, and financial services.

The business equipment segment provides postage meters and mailing systems, shipping and weighing systems, copiers and copier supplies, facsimile systems, and voice processing systems.

The business supplies segment provides retail price marking, product identification, and security equipment and supplies through Monarch Marking Systems, Inc. and Data Documents Systems, and business forms and office and computer supplies sold through catalogs from Wheeler Group Inc. and Baldwin Cooke Company.

The financial services segment provides leasing and financing for equipment manufactured or sold by Pitney Bowes as well as for products not manufactured or sold by Pitney Bowes.

Operating Units:

Pitney Bowes Business Systems--U.S.

LPC, Inc.

Pitney Bowes Business Systems--International

Pitney Bowes Ges.m.b.H., Austria
Pitney Bowes of Canada Ltd.
Pitney Bowes Oy, Finland
Pitney Bowes Duetschland GmbH
Dodwell Pitney Bowes K.K., Japan
Pitney Bowes Svenska Aktiebolag, Sweden
Pitney Bowes A.G., Switzerland
Pitney Bowes plc, U.K.
Remington Pty. Ltd. (Australia)
Pitney Bowes (Ireland) Limited
Pitney Bowes Italia S.r.l.

Pitney Bowes Facsimile Systems

Pitney Bowes Business Supplies and Services

Monarch Marking Systems, Inc., U.S.
Monarch Marking Systems Australia Pty. Ltd.
Monarch Marking Systems Ltd., Canada
Monarch Marking Systems de Mexico, S.A. de C.V.
Monarch Marking (S.E.A.) Pte. Ltd., Singapore
Pitney Bowes Marking Systems Ltd., U.K.
Pitney Bowes France S.A.
Baldwin Cooke Inc., U.S.
Baldwin Cooke Company Ltd., Canada
Pitney Bowes Management Services

Pitney Bowes Financial Services

Pitney Bowes Credit Corporation, U.S.
Colonial Pacific Leasing Corporation, U.S.
PB Leasing Limited, U.K.
Pitney Bowes Canada Ltd.-Leasing Division
Adrema Leasing Corporation, West Germany
Pitney Bowes Real Estate Financing Corporation

Voice Processing Systems

Dictaphone Corporation, U.S.
Dictaphone Canada Ltd.
Dictaphone International A.G., Switzerland
Dictaphone Company Limited, U.K.

Pandick Technologies, Inc.

A leading United States provider of onsite contract services for mailroom management and reprographics and related services.

Transfer Agent(s):

Manufacturers Hanover Trust Company
(common, preference, and preferred)
Equity Services
450 West 33rd Street, 15th Floor
New York, New York 10001-2697

Stock Exchange(s): New York, Midwest*, Philadelphia*, Boston* * Unlisted trading privileges

Ticker Symbol: PBI

Number of Employees:

1990	29,942	1987	29,460
1989	31,404	1986	29,166
1988	29,316		

Sales & Earnings

	Revenues +	Net Income
1990	$ 3,195,550,000	$ 213,295,000
1989	2,875,685,000	252,767,000
1988	2,575,652,000	243,358,000
1987	2,269,818,000	199,448,000
1986	1,988,710,000	167,924,000

Pitney Bowes Inc.

	No of Com Shares ‡		Earn per Share ‡
1990	79,624,880	$	2.68
1989	79,323,046		3.19
1988	78,999,668		3.08
1987	78,928,829		2.53
1986+	79,224,699		2.12

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

		1990		1989
Business equip				
Mailing systems	$	1,695,400	$	1,525,100
Copying systems		289,500		302,200
Voice processing systems		298,100		291,800
Business supplies & serv		364,800		301,200
Financial services		547,800		455,400
Total	$	3,195,600	$	2,875,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.20	—	—
1989	1.04	—	—
1988	0.92	—	—
1987	0.76	—	—
1986	0.66	—	—

Common Stock Equity

	Total Equity †		Equity Per Share
1990	$ 1,584,115,000	$	20.13
1989	1,422,280,000		18.15
1988	1,262,286,000		16.16
1987	1,035,756,000		13.56
1986	900,799,000		11.69

† After allowing for preferred stock at stated values.

Income Account *
(000's)

Year ended Dec. 31		1990		1989
Revenues				
Sales	$	1,539,414	$	1,399,680
Rentals & financing		1,184,105		1,047,151
Support services		472,031		428,854
Total revenues	$	3,195,550	$	2,875,685
Cost of revenues		1,188,839		983,955
Expenses		1,409,711		1,291,877
Interest expense		264,473		238,375
Interest income		(11,617)		(9,579)
Transition costs		86,500		110,000
Income before taxes	$	327,644	$	261,057
Income taxes		120,995		80,947
Inc. cont. oper	$	206,649	$	180,110
Inc. discont. oper		6,646		6,609
Cum. effect of acct. change		—		66,048
Net Income	$	213,295	$	252,767

* Included in Costs and Expenses. Depreciation and Amortization: $220,594,000 in 1990 and $194,549,000 in 1989.

Assets
(000's)

As of Dec. 31		1990		1989
Cash & cash equiv	$	79,058	$	60,998
Short-term invest.		862		79
Accts. receiv., net		416,688		414,180
Finance receivables		863,750		742,397
*Inventories		381,354		440,208
Other curr. assets		57,389		40,720
Current Assets	$	1,799,101	$	1,698,582
≠Fixed assets		565,150		509,751
≠Rental equip		608,441		595,840
Prop. under cap. leases		20,231		24,851
Finance receivables		2,673,134		2,464,823
Intangibles		158,123		150,444
Other assets		236,365		166,824
Total Assets	$	6,060,545	$	5,611,115

Liabilities
(000's)

		1990		1989
Notes payable & long-term debt, curr	$	1,865,720	$	1,396,800
Accts. payable & accruals		560,697		501,050
Income taxes		159,955		96,705
Advance billings		302,506		276,351
Curr. Liabilities	$	2,888,878	$	2,270,906
Long-term debt		1,099,396		1,369,338
Deferred inc. taxes		444,397		465,342
Other liabilities		38,460		77,202
+Preferred stock		136		226
++Preference stock		5,163		5,821
+++Common stock		161,669		161,610
Add. paid-in capital		153,356		150,286
Retained earnings		1,307,421		1,188,945
Cum. trans. adjust.		36,946		3,911
Treasury stock		(75,277)		(82,472)
Total Liabilities & Shareholders' Equity	$	6,060,545	$	5,611,115

* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO.
≠ Less accumulated depreciation.
+ $50 par value; 4% convertible.
++ No par value; $2.12 convertible.
+++ $2 par value.

Statistical Summary

	1990	1989
% Net Income to Equity	13.42	17.70
Debt to Equity	1.87	1.94
Shareholders' Equity	$ 1,589,414,000	$ 1,428,327,000

The Plessey Company plc

(The Company was acquired by Siemens AG of Munich, FRG, Dec. 8, 1989.)

Vicarage Lane
Ilford, Essex IG1 4AQ, England

Officers: Sir John Clark, chairman & chief executive; S. R. Walls, managing director; Lord Pennock, deputy chairman; W. J. Sinsheimer, deputy chief executive; J. C. Bass, Lord Brookes, V. Butler, Sir Alistair Frame, W. Gosling, K. B. Huntbatch, secretary; Sir Francis Sandilands, D.A.G.R. Simon, C. R. Thompson.

Areas of Work: Principally engaged in the design, development, and manufacture of civil telecommunication and military communication products, command and control networks, radar, sonar, electronic components, semiconductor products, microwave materials, direct and satellite radio communications, environment monitoring systems, traffic controls, precision plastics, and power supplies. Also provides computer services.

Subsidiaries:

Plessey UK Limited
England

Plessey GmbH
West Germany

Plessey Incorporated
U.S.A.

Plessey South Africa Limited (74%-owned)
South Africa

Birkbys Plastics
United Kingdom
Manufactures precision plastics.

Stromberg-Carlson Corporation
U.S.A.
Manufactures telecommunications products, principally DCO switches to telephone companies.

Plessey SpA
Valdarno, Italy
Manufactures customer switched power supplies.

Plessey Pacific Pty. Ltd
Australia

Electronique et Systemes SA (74%-owned)
France

Electronica SpA (49% interest)
Italy
Manufactures electronic systems.

GEC Plessey Telecommunications Holdings Ltd
(50%-owned)
England
Manufactures practically all of Plessey's telecommunications products.

Orbitel Mobile Communications (Holdings) Ltd
(50%-owned)
England
Manufactures mobile communications.

Sociedad Iberica de Construcciones Electricas SA
(49%-owned)
Spain
Manufactures traffic controls.

Telephone Manufacturers of South Africa (Pty.) Ltd
(50% interest)
South Africa
Manufactures telecommunications products.

Acquisitions:

Ferranti Semiconductors
Oldham, England
Semiconductor products.

Leigh Instruments Ltd
Canada
Supplies military avionics and communications equipment to the North American market.

Sippican Inc.
7 Barnabas Road
P.O. Box 861
Marion, Massachusetts 02738
(617) 748-1160
Designs, develops, manufactures and markets expendable oceanographic instrumentation and associated support systems, sonobuoys, acoustic and radio frequency communications devices and mine actuators for use primarily by the United States and other free world navies, as well as by the scientific community.

Hoskyns Group plc (73%-owned)
England
Provides computer services.

Plessey Electronics Systems Corporation
(formerly the Electronic Systems Division of The Singer Compay, U.S.A.)
164 Totowa Road
Wayne, New Jersey 07474
(201) 785-6000

Registrar:

The Plessey Company plc
Vicarage Lane
Ilford, Essex IG1 4AQ, England

Depositary for ADRs:

Citibank NA
ADR Department
111 Wall Street
New York, New York 10043 U.S.A.

Stock Exchange(s): London, New York* *Trades as an ADR

Ticker Symbol: PLY (New York)

Number of Employees: —

1989	26,216	1987	31,995
1988	30,138	1986	34,366

Sales & Earnings

	Net Sales	Net Income †
1989	£1,654,900,000	£ 99,100,000
1988	1,300,900,000	131,100,000
1987*	1,429,700,000	116,300,000
1986	1,461,100,000	92,000,000
1985	1,415,700,000	90,900,000

	No. of Com Shares ‡	Earn. per Share † ‡
1989	744,300,000	13.31p
1988	740,500,000	17.70
1987*	739,000,000	15.74
1986	737,600,000	12.47
1985	736,600,000	12.34

* 53 weeks
£ - pound sterling
p - pence
† Including extraordinary gain of £ 12,400,000 (1.67p per share) in 1988 and extraordinary losses of £ 31,700,000 (4.26p per share) in 1989, £ 3,500,000 (0.47p per share) in 1987, £ 7,500,000 (1.02p per share) in 1986 and £ 2,600,000 (0.35p per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Defense electronics	£ 607,300	£ 453,100
Aerospace and engineering	127,400	107,600
Microelectronics & components	190,500	122,900
Networks and services	172,800	69,100
Discontinued operations	13,600	41,700
Eliminations	(33,200)	(37,300)
Telecommunications	576,500	543,800
Total	£ 1,654,900	£ 1,300,900

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	7.658p	—	—
1988	6.659	—	—
1987	5.790	—	—
1986	5.034	—	—
1985	4.375	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	£ 302,000,000	40.57p
1988	622,500,000	84.06
1987	596,600,000	80.73
1986	523,400,000	70.96
1985	475,200,000	64.51

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	3/31/89	4/2/88
Net sales	£ 1,654,900	£ 1,300,900
Cost of sales & expenses	1,455,600	1,152,300
Share of profits of rel. cos	(8,300)	(6,900)
Interest expense (income)	12,100	(16,600)
Income before taxes	£ 195,500	£ 172,100
Income taxes	62,600	52,000
Minority interests	2,100	1,400
Net Income	£ 130,800	£ 118,700
Extraord. items	(31,700)	12,400
Net Income & extraord. items	£ 99,100	£ 131,100

* Included in Costs and Expenses, Depreciation £ 61,100,000 in 1989 and £ 63,300,000 in 1988.

Assets
(000's)

As of	3/31/88	4/2/87
Cash	£ 17,400	£ 12,900
Investments	98,700	266,400
Accts. receiv., net	366,900	299,200
*Inventories	202,300	152,500
Current Assets	£ 685,300	£ 731,000
Investments	274,100	321,200
≠Fixed assets	352,700	239,400
Total Assets	£ 1,312,100	£ 1,291,600

Liabilities
(000's)

Long-term debt, curr.	£ 155,200	£ 48,300
Adv. payments	56,200	55,000
Accts. payable	186,800	149,900
Amts. owed to rel. cos	500	4,800
Cap. lease oblig. curr.	27,500	39,500
Accruals	86,800	51,000
Other payables	47,100	15,300
Capital grants	1,700	2,100
Income taxes	44,300	72,400
Other taxes	28,100	18,600
Dividends payable	37,700	31,700
Curr. Liabilities	£ 671,900	£ 488,600
Long-term debt	171,000	10,500
Other payables	87,600	113,800
Other liabilites & charges	72,200	51,300
Minority interest	7,400	4,900
+Common stock	187,000	185,400
Add. paid-in capital	17,400	8,400
Revaluation reserve	64,500	19,800
Other reserves	1,100	2,300
Profit and loss acct	32,000	406,600
Total Liabilities & Shareholders' Equity	£ 1,312,100	£ 1,291,600

* At lower of cost or net realizable value.
≠ Less accumulated depreciation.
+ 25p par value

Statistical Summary

%Income bef. Taxes to Sales	11.81	13.23
%Net Income to Sales	7.90	9.12
%Net Income to Equity	43.31	19.07
Sales to Inventories	8.18	8.53
Debt to Equity	1.08	0.09
Working Capital	£ 13,400,000	£ 242,400,000
Current Ratio	1.02	1.50
Shareholders' Equity	£ 302,000,000	£ 622,500,000

Polaroid Corporation

549 Technology Square
Cambridge, Massachusetts 02139
(617) 577-2000
FAX: (617) 494-0249

Officers: William J. McCune, Jr., chairman of the board; I. MacAllister Booth, president & chief executive officer; Sheldon A. Buckler, vice chairman of the board; Milton S. Dietz, sr. v.p.; Peter O. Kliem, sr. v.p.; Owen J. Gaffney, group v.p.; William J. O'Neill, Jr., group v.p. & chief financial officer; Lee C. Brewer, v.p.; Graham M. Brown, Jr., v.p. & treasurer; Robert M. Delahunt, v.p.; Carl J. Yankowski, v.p.; Richard F. deLima, v.p., secretary & general counsel; Hugh R. MacKenzie, v.p.; Joseph R. Oldfield, v.p.; Carole J. Uhrich, v.p.; Bruce B. Henry, vice president; Ralph M. Norwood, vice president & controller; Conrad H. Biber, sr. research & engineering fellow; Lloyd D. Taylor, sr. research fellow; Gerald R. Dicker, v.p. & asst. secretary.

Directors: William J. McCune, Jr., chairman; I. MacAllister Booth, Yen-Tsai Feng, Richard D. Hill, Frank S. Jones, Carl Kaysen, Henry Necarsulmer, Kenneth H. Olsen, Lester Pollack, Charles P. Slichter, Ralph Z. Sorenson, A. Michael Spence, Delbert C. Staley, Marian J. Stanley, Alfred M. Zeien.

Areas of Work: The Company designs, manufactures and markets worldwide a variety of products primarily in instant image recording fields. These products include a variety of color and back-and-white instant photgraphic products and a complete line of video tapes and flexible diskettes; computer image and video image recorders; light polarizing filters and lenses; and diversified chemical, optical and commerical products.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Pacific

Ticker Symbol: PRD

Number of Employees:*

1990	11,768	1987	13,662
1989	11,441	1986	14,765
1988	11,613		

* Includes approximately 300 temporary employees for 1988, 800 for 1987, and 1,900 for 1986.

Plant Footage:

1990	N.A.	1988	6,000,000
1989	7,000,000 sq. ft.		

N.A.-Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,971,700,000	$ 151,000,000
1989	1,904,700,000	145,000,000
1988	1,862,900,000	(22,600,000)
1987	1,763,900,000	125,200,000
1986	1,629,200,000	108,200,000

	No. of Com Shares ‡	Earn. per Share ‡
1990	51,519,000	$ 2.20
1989	57,568,000	1.96
1988	66,377,000	—
1987	61,918,000	2.02
1986	61,918,000	1.75

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.60	—	—
1989	0.60	—	—
1988	0.60	—	—
1987	0.60	—	2-for-1
1986	0.50	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 207,700,000	$ 4.03
1989	148,800,000	2.58
1988	1,011,500,000	15.24
1987	1,048,200,000	16.93
1986	960,100,000	15.51

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,971,700	$ 1,904,700
Cost of sales	1,011,800	966,000
Expenses	675,600	634,500
Restruc. expenses	—	40,500
Interest income	(19,700)	(37,200)
Interest expense	81,300	86,200
Other expense	4,700	2,100
Income before taxes	$ 218,000	$ 212,600
Income taxes	67,000	67,600
Net Income	$ 151,000	$ 145,000

* Included in Costs and Expenses and Depreciation: $87,200,000 in 1990 and $87,400,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 83,800	$ 131,200
Short-term invest.	114,200	148,100
Accts. receiv., net	441,600	459,500
•Inventories	519,000	529,900
Prepaid expenses	81,700	77,100
Current Assets	$ 1,240,300	$ 1,345,800
#Fixed assets	461,000	430,900
Total Assets	$ 1,701,300	$ 1,776,700

Liabilities
(000's)

	1990	1989
Short-term debt	$ 168,600	$ 228,600
Long-term debt, curr.	79,400	70,400
Accts. payable & accruals	218,400	216,200
Accrued compensation & benefits	123,800	143,900
Income taxes	41,000	44,700
Curr. Liabilities	$ 631,200	$ 703,800
Long-term debt	513,800	602,200
+Redeem. preferred stock	348,600	321,900
++Common stock	75,400	75,400
Add. paid-in capital	379,500	379,500
Retained earnings	1,038,300	955,800
Treasury stock	(1,053,100)	(997,500)
Deferred compensation	(232,400)	(264,400)
Total Liabilities & Shareholders' Equity	$ 1,701,300	$ 1,776,700

• At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ $1 par value. Series B, 11% cumulative convertible; Series C, 11 1/2% cumulative convertible.
++ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	11.06	11.16
% Net Income to Sales	7.66	7.61
% Net Income to Equity	72.70	97.45
Sales to Inventories	3.80	3.59
Debt to Equity	3.67	6.06
Working Capital	$ 609,100,000	$ 642,000,000
Current Ratio	1.96	1.91
Shareholders' Equity	$ 207,700,000	$ 148,800,000

Porta Systems Corp.

575 Underhill Boulevard
Syosset, New York 11791
(516) 364-9300
FAX: (516) 682-4655

Officers: Vincent F. Santulli, chairman & chief executive officer; William V. Carney, vice chairman, sr. v.p. & secretary; Garet M. Romeo, president & chief operating officer; Eladio Rodriguez, v.p.-Caribbean operations; Michael A. Tancredi, v.p.-finance & treasurer; John Gazzo, v.p.; Daniel G. Romeo, v.p.-national sales; Warren Marcus, v.p.; Jane M. Jozefek, v.p., general counsel & secretary; Daniel J. Fleming, v.p. & controller; Dominick A. Papaleo, v.p.-human resources; Pierre A. Haskelson, v.p.-operations; William L. Babcock, v.p.-marketing; Fabio D. Ramos, v.p.; Robert K. Bennett, v.p.-business development; John G. Corrigan, v.p.; David R. Sinigaglia, v.p.; Leo Staschover, v.p.; Howard G. Anders, v.p.

Directors: Vincent F. Santulli, chairman; William V. Carney, Michael A. Tancredi, Garet M. Romeo, Seymour Joffe, Howard D. Brous, E. A. Dominianni, Warren Esanu, Herbert H. Feldman.

Areas of Work: Designs and manufactures telecommunications systems and equipment for telephone operating companies, and suppliers and manufacturers of telecommunication systems and equipment. Major products include equipment used to connect lines and trunks entering central offices with central office equipment, and to provide electrical protection to switching equipment and office personnel; and computer-based electronic systems for testing and identifying faults with subscriber lines and central office switching equipment.

Subsidiaries:

Porta System-Caribbean Corp.
Guaynabo, PR

Porta Systems Limited
Daventry, England

Porta Systems, S.A. de C.V.
Matamoros, Mexico

Woo Shin Electro-Systems Co. (50% owned)
Develops, manufactures and sells line condition report systems in the Republic of Korea.

Lightwave Products Division
Commack, New York
Fiber optic connectors, cable assemblies, attenuators, and accessories.

Acquisitions:

North Hills Electronics, Inc.
A manufacturer of local area network and signal processing products.

Mirror Telephony Software, Inc.
A developer of software based systems for telephone companies.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s). American

Ticker Symbol: PSI

Number of Employees:

1990	N.A.	1987	529
1989	700	1986	587
1988	581		

N.A.-Not Available

Plant Footage:

1990	N.A.	1987	128,281
1989	N.A.	1986	133,686
1988	148,262 sq. ft.		

N.A.- Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 71,842,000	$ 6,832,000
1989	62,309,000	5,786,000
1988	57,955,000	4,685,000
1987	50,357,000	(3,092,000)
1986	40,709,000	2,500,000

	No. of Com. Shares #	Earn. per Share #
1990	5,468,000	$ 1.25
1989	5,495,000	1.05
1988	5,470,983	0.86
1987	5,451,110	—
1986	5,454,410	0.46

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990 (000's)	%	1989 (000's)	%
Line connect./protect.-equip.	$ 55,557	77 %	$ 47,266	76 %
Testing equipment	16,285	23	15,043	24
Total	$ 71,842	100 %	$ 62,309	100 %

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 36,576,000	$ 6.69
1989	31,292,000	5.69
1988	25,620,000	4.68
1987	20,984,000	3.85
1986	24,146,000	4.43

‡ Based on the weighted number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 71,842,000	$ 62,309,000
Cost of sales	43,429,000	38,475,000
Sell., gen., & adm. exp.	15,069,000	12,066,000
Res. & develop. exp.	5,315,000	5,054,000
Interest expense	1,751,000	1,670,000
Interest income	(1,314,000)	(966,000)
Equity in joint venture	(78,000)	(230,000)
Income bef. taxes	$ 7,670,000	$ 6,240,000
Income taxes	838,000	454,000
Net Income	$ 6,832,000	$ 5,786,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,068,000 in 1990 and $2,002,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash	$ 18,009,000	$ 14,899,000
Accts. receiv., net	14,685,000	14,608,000
*Inventories	19,605,000	19,360,000
Prepaid expenses & other assets	621,000	340,000
Current Assets	$ 52,920,000	$ 49,207,000
#Fixed assets	8,431,000	6,289,000
Def. computer software	2,189,000	1,904,000
Debt issurance exp	611,000	707,000
Invest. in joint venture	258,000	180,000
Deposits & other assets	2,114,000	1,378,000
Total Assets	$ 66,523,000	$ 59,665,000

Liabilities

Note payable	$ 235,000	$ —
Note payable - bank	730,000	730,000
Accts. payable	4,474,000	3,869,000
Accrued payroll	799,000	870,000
Accrued payroll & other taxes	267,000	317,000
Accrued commissions	971,000	983,000
Accrued inc. taxes pay	1,107,000	692,000
Other accruals	3,334,000	2,891,000
Curr. Liabilities	$ 11,917,000	$ 10,352,000
Long-term liab.	18,030,000	18,021,000
+Common stock	55,000	55,000
Add. paid-in capital	7,748,000	7,527,000
For. curr. trans. adjust	(321,000)	(440,000)
Retained earnings	30,986,000	24,154,000
Treasury stock	(1,892,000)	(4,000)
Total Liabilities & Shareholders' Equity	$ 66,523,000	$ 59,665,000

* At lower of cost (average & FIFO) or market
# Less accumulated depreciation & amortization
+ $0.01 par value

Statistical Summary

% Income bef. Taxes to Sales	10.68	10.01
% Net Income to Sales	9.51	9.29
% Net Income to Equity	18.68	18.49
Sales to Inventories	3.66	3.22
Debt to Equity	0.52	0.60
Working Capital	$ 41,003,000	$ 38,855,000
Current Ratio	4.44	4.75
Shareholders' Equity	$ 36,576,000	$ 31,292,000

Powell Industries, Inc.

8550 Mosley Drive
Houston, Texas 77075
(713) 944-6900

Mailing address:
P.O. Box 12818
Houston, Texas 77217-2818

Officers: Thomas W. Powell, chairman of the board, president & chief executive officer; J.F. Ahart, v.p., chief financial officer, secretary & treasurer; Robert L. Mitchell, controller; Miles M. Zeller, president-Powell Electrical Mfg.Company; Adam Janas, president-Delta-Unibus Corp.; Larry D. Davis, president-U.S. Turbine Corp.; Ed Becnel, president-Powell-Process Systems, Inc.; Henry Schmidt, president-Unibus, Inc.

Directors: Thomas W. Powell, chairman; J. F. Ahart, Jesse R. Milam, Jr., Eugene L. Butler, Elbert D. Stewart, Stephen W. Seale, Jr., D.D. Sykora, Bonnie Powell, Everett N. DeVault.

Areas of Work: Designs, manufactures, and markets electrical power distribution and control systems, pre-packaged electrical and instrumental control room buildings, patented and proprietary electronic and computerized process control products and systems and digital control valves.

Divisions and Subsidiaries:

Powell Electrical Manufacturing Company
8550 Mosley Drive
Houston, Texas 77075-1180
(713) 944-6900

Powell-Process Systems, Inc.
P.O. Box 12848
8540 Mosley Drive
Houston, Texas 77075
(713) 947-9170

Designs, manufactures and sells microprocessor-based distributed control equipment under the trade name MICON.

Unibus, Inc.
15242 Foltz Industrial Pkwy.
Strongsville, Ohio 44136
(216) 238-7035

Manufactures custom-designed bar and cable bus systems for utilities, general industry and research and development facilities.

Delta-Unibus Corporation
11323 West Franklin Avenue
Franklin Park, Illinois 60131
(312) 451-1982

Manufactures isolated phase bus duct used primarily in high reliability, maximum protection power generation applications.

U.S. Turbine Corporation
7685 South State Route 48
Maineville, Ohio 45039
(513) 683-6100

Manufactures gas turbine generator sets for utilities and general industry, including cogeneration systems.

Transfer Agent(s):

NCNB Texas National Bank
Stock Transfer
P.O. Box 4339
Houston, Texas 77210-4339

Stock Exchange(s): Over-the-Counter

Ticker Symbol: POWL (NASDAQ)

Number of Employees:

1990	700	1987	568
1989	752	1986	592
1988	616		

Plant Footage:

1990	N.A.	1987	444,000
1989	453,600 sq. ft.	1986	485,750
1988	444,000		

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income #
1990	$ 130,903,000	$ 7,002,000
1989	97,304,000	2,188,000
1988	81,742,000	3,044,000
1987	67,676,000	(1,319,000)
1986	78,697,000	(928,000)

	No. of Com. Shares ‡	Earn. per Share #‡
1990	10,354,482	$ 0.68
1989	10,216,982	0.21
1988	10,204,482	0.30
1987	10,204,482	—
1986	10,204,482	—

(Loss)
+ Of continuing operations only
# Including extraordinary gain of $1,050,000 ($0.10 per share) in 1988
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 30,994,000	$ 2.99
1989	23,992,000	2.35
1988	21,391,000	2.10
1987	18,347,000	1.80
1986	19,666,000	1.93

‡ Based on the average number of shares outstanding.

Income Account *

Year ended Oct. 31	1990	1989
Revenues	$ 130,903,000	$ 97,304,000
Cost of revenues	99,998,000	77,435,000
Sell., gen. & adm. expenses	18,619,000	15,033,000
Interest expense	1,426,000	1,505,000
Income before taxes	$ 10,860,000	$ 3,331,000
Income taxes	3,858,000	1,143,000
Net Income	$ 7,002,000	$ 2,188,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,985,000 in 1990 and $2,625,000 in 1989.

Assets

As of Oct. 31	1990	1989
Cash & cash equiv.	$ 12,638,000	$ 3,116,000
Accts. receiv., net	29,368,000	27,060,000
Costs in exc. of billings	1,826,000	4,784,000
*Inventories	10,767,000	17,098,000
Deferred income taxes	2,525,000	1,640,000
Prepaid expenses	931,000	1,033,000
Current Assets	$ 58,055,000	$ 54,731,000
#Fixed assets	13,280,000	12,130,000
Other assets	1,206,000	1,411,000
Total Assets	$ 72,541,000	$ 69,272,000

Liabilities

Notes pay. & long-term debt, curr.	$ 413,000	$ 952,000
Accts. payable	8,228,000	12,892,000
Accrued payroll	4,304,000	3,361,000
Accrued product warranty	3,174,000	2,416,000
Other accruals	4,114,000	2,342,000
Billings in exc. of costs	2,917,000	3,416,000
Curr. Liabilities	$ 23,150,000	$ 25,379,000
Long-term debt	15,779,000	16,254,000
Deferred inc. taxes	1,445,000	1,874,000
Other liabilities	1,173,000	1,773,000
+Common stock	104,000	104,000
Add. paid-in capital	3,314,000	3,314,000
Retained earnings	27,576,000	20,574,000
Total Liabilities & Shareholders' Equity	$ 72,541,000	$ 69,272,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.01 par value

Statistical Summary

% Income bef. Taxes to Revenues	8.30	3.42
% Net Income to Revenues	5.35	2.25
% Net Income to Equity	22.59	9.12
Debt to Equity	0.52	0.72
Working Capital	$ 34,905,000	$ 29,352,000
Current Ratio	2.51	2.16
Shareholders' Equity	$ 30,994,000	$ 23,992,000

Precision Positioning Devices - Bunting, Inc.

40 Greenwood Lane
Springboro, Ohio 45066
(800) 628-9870

Officers: James T. Ragan, president; Richard F. Bunting, v.p. & gen. mgr.; John D. Larounis, v.p.-marketing & sales; F. J. Angelone, chief financial officer & treasurer; Robert Larkin, v.p.-manufacturing; Reid Larson, pres.-Midwest; Gladys Brownrigg, asst. treasurer; Dorothy DeFerrari, secretary

Directors: John J. Brennan, Peter Anzenberger, Marvin S. Robinson

Areas of Work: Engaged in the assembling and marketing, through distributors and direct sales personnel, of various audio, visual and electronic communications systems and television viewing systems for use in hospitals, hotels and motels. A subsidiary, Midwest International, Inc., assembles and places coin-operated television chairs in mass transportation terminals.

Subsidiary:

Midwest International, Inc.
650 Wilmington Avenue
Salt Lake City, Utah 84106

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	51	1986	145
1988	54	1985	131
1987	115		

Sales & Earnings

	Net Sales	Net Income
1989	$ 4,146,000	$ (611,000)
1988	5,606,000	(1,524,000)
1987	5,989,000	(930,000)
1986	6,917,000	(958,156)
1985	8,794,197	432,010

	No. of Com. Shares †	Earn. per Share †
1989	2,158,278	$ —
1988	2,154,528	—
1987	2,154,427	—
1986	2,137,178	—
1985	2,133,651	0.20

(Loss)
† Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	—	10%	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 417,000	$ 0.19
1988	1,028,000	0.48
1987	2,543,000	1.18
1986	3,455,166	1.62
1985	4,411,321	2.07

† Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Income Account*

Year ended Dec. 31	1989	1988
Net sales	$ 4,146,000	$ 5,606,000
Other income	1,665,000	1,882,000
Total income	$ 5,811,000	$ 7,488,000
Cost of sales	4,201,000	5,921,000
Expenses	1,888,000	2,803,000
Interest expense	316,000	271,000
Loss bef. taxes	$ (594,000)	$ (1,507,000)
Income taxes	17,000	17,000
Net Loss	$ (611,000)	$ (1,524,000)

* Included in Cost and Expenses, Depreciation and Amortization: $185,000 in 1989 and $404,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 16,000	$ 19,000
Accts. receiv., net	889,000	2,081,000
*Inventories	1,247,000	1,524,000
Prepaid expenses	126,000	79,000
Current Assets	$ 2,278,000	$ 3,703,000
Installment accts. receiv.	7,000	13,000
# Fixed assets	574,000	635,000
Equip. leased to others	—	117,000
Other assets	243,000	345,000
Total Assets	$ 3,102,000	$ 4,813,000

Liabilities

Notes payable	$ 2,114,000	$ 2,816,000
Long-term debt, curr.	10,000	15,000
Accts. payable	282,000	477,000
Accruals	275,000	309,000
Cust. advance payments	—	159,000
Curr. Liabilities	$ 2,681,000	$ 3,776,000
Long-term debt	4,000	9,000
+Common stock	23,000	23,000
Add. paid-in capital	2,361,000	2,361,000
Retained earnings (deficit)	(1,812,000)	(1,201,000)
Treasury stock	(155,000)	(155,000)
Total Liabilities & Shareholders' Equity	$ 3,102,000	$ 4,813,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Debt to Equity	5.10	2.76
Shareholders' Equity	$ 417,000	$ 1,028,000

Premier Industrial Corporation

4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
FAX (216) 391-8327

Officers: Morton L. Mandel, chairman of the board; Jack N. Mandel, finance committee chairman; Joseph C. Mandel, exec. committee chairman; William M. Hamilton, president; Philip S. Sims, exec. v.p. & treasurer; Bruce W. Johnson, exec. v.p.; Denis A. Moore, sr. v.p.; Grant C. Grinnell, v.p. & secretary; J. Robert McCabe, v.p.; Denis M. Bohm, v.p.; William H. Barnes, v.p.; Phillip Vander Pol, v.p. & controller; Terry L. Taylor, v.p.; William D. Coole, v.p.; James D. Spotz, v.p.

Directors: John C. Colman, Jack N. Mandel, Joseph C. Mandel, Morton L. Mandel, Hugh Calkins, Robert Warren, Scott S. Cowen, William M. Hamilton

Areas of Work: Broad line distributor of electronic components used in the production and maintenance of equipment, a supplier of maintenance products for industrial, commercial and institutional applications, and a manufacturer of high-performance fire-fighting accessories.

Divisions and Subsidiaries:

Electronics Distribution Group

Newark Electronics
4801 North Ravenswood
Chicago, Illinois 60640
(312) 784-5100
Electronic components and equipment including semiconductors, integrated conductors, integrated circuits, switches, relays, test and sound equipment, capacitors, resistors and connectors.

Cadillac Electric
20700 Hubbell Avenue
Oak Park, Michigan 48237
(313) 967-1221
Electrical items including wire and cable, roughing-in materials, motor controls, distribution equipment, lamps, fuses, wiring devices and other electrical maintenance products.

Hoffman Products
73 Orville Drive
Bohemia, New York 11716
(516) 563-2917
National supplier of electrical and related products.

Car-lac Electronics
75 Orville Drive
Bohemia, New York 11716
(516) 567-4200
Electronic interconnection devices and associated hardware.

MCM Electronics
858 E. Congress Park Drive
Centerville, Ohio 45459
(513) 434-0031
Electronic components and equipment for the installation and repair of consumer and commercial equipment.

Brooks Technology
3304 East 87th Street
Cleveland, Ohio 44127
(216) 641-5100
Industrial and specialty greases, open gear lubricants, gear oils, corrosion preventives, cutting and grinding fluids, wire rope lubricants, roll oils, and drawing and forging compounds.

C-T Engineering
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Heavy-duty fasteners, special hardware and parts for construction transportation equipment.

Certanium Alloys and Research
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Special welding electrodes, brazing alloys, fluxes, solders, and welding aids.

Premier Fastener
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
High performance cap screws, nuts, washers, screws, specialty fasteners and industrial shop supplies.

Premier Autoware
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Replacement parts for cars and trucks, including special hardware and shop supplies.

J.I. Holcomb
1051 W. Liberty St.
Wooster, Ohio 44691
(216) 264-6262
Cleaners, disinfectants, degreasers and protective coatings for industrial, commercial, and institutional applications. Insecticides, floor conditioners and floor maintenance products.

Kent Industries
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300

Adhesives, cements, sealants, caulks, cleaners and related application equipment for the automotive and marine industries.

Rotanium Products
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300

Electrical systems components and other specialty products such as industrial lamps, terminals, connectors, fittings, clamps and building hardware.

TPC Wire & Cable
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-0067

Extra heavy-duty electrical cord, cable and associated devices.

D-A Lubricant Company, Inc.
1340 West 29th Street
Indianapolis, Indiana 46208
(317) 923-5321

Engine oils and greases for heavy-duty diesel driven equipment.

Maintenance, Inc.
1051 West Liberty Street
Wooster, Ohio 44691
(216) 264-6262

Coatings to protect and color off-street asphalt and concrete pavements and recreational areas.

Fire-Fighting Products Group

Akron Brass Co.
Spruce Street
P.O. Box 86
Wooster, Ohio 44691
(216) 264-5678

Fire-fighting components including nozzles, hose couplings, valves and specialized fire-fighting equipment.

Transfer Agent(s):

National City Bank
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: PRE

Number of Employees:

1990	5,500	1987	N.A.
1989	4,800	1986	N.A.
1988	4,300		

Plant Footage:

1990	N.A.	1987	N.A.
1989	2,258,300 sq. ft.	1986	N.A.
1988	2,215,990		

N.A. - Not Available

Sales & Earnings

	Oper. Revenues	Net Income
1990	$ 626,243,000	$ 74,715,000
1989	596,146,000	69,704,000
1988	528,159,000	64,029,000
1987	459,000,000	48,280,000
1986	435,040,000	41,377,000

	No. of Shares ‡	Earn. per Share ‡
1990	58,098,839	$ 1.29
1989	61,667,104	1.13
1988	65,480,409	0.98
1987	66,736,147	0.72
1986	66,665,578	0.62

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1990	1989
Electronics distribution	$ 408,682,000	$ 377,497,000
General products	217,561,000	218,649,000
Total	$ 626,243,000	$ 596,146,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.360	—	3-for-2
1989	0.293	—	—
1988	0.231	—	3-for-2
1987	0.187	—	—
1986	0.169	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 251,319,000	$ 4.33
1989	212,434,000	3.44
1988	289,026,000	4.41
1987	266,888,000	4.00
1986	239,622,000	3.59

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account

Year ended May 31	1990	1989
Oper. revenues	$ 626,243,000	$ 596,146,000
Other income	3,012,000	6,195,000
Total revenues	$ 629,255,000	$ 602,341,000
Cost of sales	322,547,000	310,443,000
Expenses	180,153,000	174,031,000
Income taxes	6,952,000	5,663,000
Depreciation & amortization	6,738,000	7,169,000
Interest expense	370,000	248,000
Income before taxes	$ 112,495,000	$ 104,787,000
Income taxes	37,780,000	35,083,000
Net Income	$ 74,715,000	$ 69,704,000

Assets

As of May 31	1990	1989
Cash	$ 48,767,000	$ 33,230,000
Receiv., net	90,869,000	85,961,000
*Inventories	106,743,000	89,276,000
Prepaid expenses	3,841,000	6,158,000
Current Assets	$ 250,220,000	$ 214,625,000
#Fixed assets	49,206,000	41,584,000
Other assets	21,381,000	21,624,000
Total Assets	$ 320,807,000	$ 277,833,000

Liabilities

Notes pay. & long-term debt, curr.	$ 3,000	$ 58,000
Payables	24,719,000	21,483,000
Accruals	24,390,000	21,267,000
Income taxes	1,937,000	2,818,000
Curr. Liabilities	$ 51,049,000	$ 45,626,000
Deferred inc. taxes	11,939,000	13,270,000
Long-term debt	6,500,000	6,503,000
+ Common stock	58,175,000	39,365,000
Add. paid-in capital	—	506,000
Retained earnings	204,871,000	186,673,000
Foreign currency translation	1,122,000	269,000
Treasury stock	(12,849,000)	(14,379,000)
Total Liabilities & Shareholders' Equity	$ 320,807,000	$ 277,833,000

* At lower of cost (FIFO or LIFO) or market.
# Less accumulated depreciation.
+ No par value: $1 stated value.

Statistical Summary

% Income bef. Taxes to Revenues	17.96	17.58
% Net Income to Revenues	11.93	11.69
% Net Income to Equity	29.73	32.81
Debt to Equity	0.03	0.03
Working Capital	$ 199,171,000	$ 168,999,000
Current Ratio	4.90	4.70
Shareholders' Equity	$ 251,319,000	$ 212,434,000

Quantronix Corporation

49 Wireless Boulevard
Smithtown, New York 11787
(516) 273-6900
FAX: (516) 273-6958

Officers: Donald Mitchell, president & chief executive officer; Edward B. Kornfeld, v.p. & chief financial officer; Roy H. Tanner, v.p.-engineering; Sydney Meistrich, v.p.-operations & secretary; Martin G. Cohen, v.p.-technology; Vincent L. Mooney, treasurer.

Directors: Sydney Meistrich, Donald Mitchell, Alan J. Patricof, Harold Rapaport, Richard Projain.

Areas of Work: Engaged in a single line of business: manufacturing electro-optic devices and systems, principally involving the use of a laser component, and end-products by such devices. Company products consist of a catalogue line of lasers, laser components and laser accessories; a defect repair system for repair of photomasks used in semiconductor manufacture; scientific lasers and medical lasers.

Subsidiaries:

Quantronix, GmbH
Gross-Gerauer Weg 55
D-6100 Darmstadt, West Germany

Quantronix International (FSC)

The Optical Corporation
Oxnard, California

Manufactures precision optical components and subassemblies.

Control Laser International Corporation
7503 Chancellor Drive
Orlando, Florida 32809
(305) 438-2500

Engaged in the development, manufacture and marketing of high-powered industrial and medical laser systems and components.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: QUAN (NASDAQ)

Number of Employees:

1991	239	1988	196
1990	165	1987	174
1989	287		

Quantronix Corporation

Plant Footage:

1991	64,000 sq. ft.	1988	120,000
1990	120,000	1987	85,000
1989	120,000		

Sales & Earnings

	Net Sales †	Net Income ‡
1991	$ 29,139,700	$ (978,714)
1990	31,746,733	(1,361,004)
1989	27,943,802	1,035,243
1988	18,510,540	(1,228,429)
1987	20,290,458	2,288,380

	No. of Com. Shares #	Earn. per Share ‡ #
1991	3,833,000	$ —
1990	3,796,000	—
1989	3,662,000	0.28
1988	3,165,000	—
1987	3,244,000	0.71

(Loss)
† Includes services
‡ Including extraordinary gain of $92,000 ($0.02 per share) in 1989
# Based on the weighted average number of shares outstanding

Revenues by Line of Business

	1991	1990	1989
Integrated systems	35%	37%	37%
Catalog products	33	32	35
Spare parts, consumables	24	24	19
Optical components	5	3	5
Medical products	3	3	3
Other	—	1	1
Total	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share +
1991	$ 15,184,186 #	$ 3.96
1990	16,124,389 #	4.25
1989	17,451,800 #	4.77
1988	11,942,932	3.77
1987	13,264,766	4.09

After allowing for preferred stock at par value
+ Based on the weighted average number of shares outstanding

Income Account *

Year ended March 31	1991	1990
Net sales & services	$ 29,139,700	$ 31,746,733
Cost of sales & services	17,312,522	20,107,513
Expenses	11,643,812	12,664,905
Interest expense	1,041,129	1,218,779
Other expense (income)	34,711	(90,791)
Loss on market secur.	—	11,203
Litigation settlement	—	285,128
Loss before taxes	$ (892,474)	$ (2,450,004)
Tax credit	86,240	(1,089,000)
Net Loss	$ (978,714)	$ (1,361,004)

* Included in Costs and Expenses, Depreciation and Amortization $1,719,622 in 1991 and $1,938,877 in 1990

Assets

As of March 31	1991	1990
Cash	$ 238,913	$ 373,896
Prepaid income taxes	46,422	1,451,985
Accts. receiv., net	4,590,153	6,552,202
*Inventories	9,891,576	10,564,942
Def. inc. taxes	—	442,700
Other curr. assets	320,886	398,752
Current Assets	$ 15,087,950	$ 19,784,477
#Fixed assets	8,159,550	8,917,252
Cost in exc. of assets acq.	5,437,777	5,585,037
Other assets	1,766,114	1,119,521
Total Assets	$ 30,451,391	$ 35,406,287

Liabilities

Long-term debt, curr.	$ 943,994	$ 1,198,329
Accts. payable	1,123,059	2,097,177
Accruals & other liab.	3,127,741	3,815,832
Bank loans payable	60,343	312,655
Inc. taxes payable	—	99,643
Curr. Liabilities	$ 5,255,137	$ 7,523,636
Long-term debt	9,973,668	11,277,162
Def. inc. taxes payable	37,000	479,700
+Preferred stock	1,400	1,400
+Common stock	38,488	38,136
Add. paid-in capital	13,366,905	13,277,972
Ret. earnings	1,958,261	3,015,725
Note receiv. - sale of stock	(179,468)	(207,444)
Total Liabilities & Shareholders' Equity	$ 30,451,391	$ 35,406,287

* At lower of average cost of market.
# Less accumulated depreciation.
+ $0.01 par value

Statistical Summary

Debt to Equity	0.72	0.79
Working Capital	$ 9,832,813	$ 12,260,841
Current Ratio	2.87	2.63
Shareholders' Equity	$ 15,185,586	$ 16,125,789

Racal Electronics Plc

Western Road
Bracknell, Berkshire RG12 1RG, England
(0344) 481222
FAX: (0344) 54119

Directors: Sir Ernest Harrison, chairman & chief executive; D. C. Elsbury, deputy chief executive; Sir Edward Ashmore, B. J. Clarke, J. E. Coates, P. G. Crossland, J. E. Diggins, G. J. Lomer, D. J. Peacock, M. R. Richardson, D. A. Webb, G. A. Whent, R. V. Holley, D. Whittaker, secretary.

Areas of Work: In the area of Data Communications, the Company provides corporate data networks, data communications equipment and systems, data encryption equipment, digital communications for voice and data, local area communications, network management, image processing systems, and turnkey data networks.

In the area of Radio Communications, the Company provides communications electronic warfare of Radio Communications, the Company provides communications electronic warfare systems, communications simulation and training, communications security, satellite communications, tactical trunk communications, military tactical communications for land, sea and air, paramilitary, police and special forces communications, and strategic radio systems: fixed, mobile and transportable.

In the area of Marine and Energy Electronics, the Company provides marine radars and navigation equipment, integrated naval and ship electronic systems, mine countermeasures support, marine measurement and control systems, marine communications, marine distress and safety equipment, marine simulation and training, marine service, precise positioning systems, satellite and terrestrial radio navigation systems, and survey and positioning services.

In the area of Defense Radar and Avionics, the Company provides avionics management systems, ground movement radar, low level air defense surveillance radars, naval and land based command information systems, navigation computers and sensors, non-communications electronic warfare systems, and microwave components and sub-systems.

In the area of Telecommunications, the Company provides cellular radio network operations, data transmission over cellular radio networks, digital cellular radio systems, value added network services, mobile and hand-portable cellular telephones, private mobile radio, and radiopaging.

In the area of Security, the Company provides building locks and hardware, data security and payment terminal systems, fire detection and extinguishing equipment, intruder alarms and monitoring systems, integrated security and access control systems, safes, strongrooms and fire resistant cabinets.

Specialized Business Activities include Acoustics, whose product range for both military and civil communication markets consists of transducers, microphones, handsets, headsets, protective communication helmets, field telephones, intercom systems, and on-board audio management systems for trains and aircraft; Health & Safety, whose products include the Classic range of hearing protectors, the ultra-lightweight Jupiter anti-dust helmet, a Dual-Air protection system and the Zephyr powered respirator for dentists; Microelectronics & Information Displays, which includes specific integrated circuits and other customized devices and liquid crystal information display systems; Customer Training & Education; Electronic Design Automation, which includes computer-aided engineering/computer-aided design for electronics industries and software systems for computers; Intruder alarm sensors; Automated Test and Repair services; Antennas; and advanced Instrumentation.

Subsidiaries (United Kingdom):

Decca Limited
Ablex Audio Video Limited
Decca Radio and Television Limited
Decca Survey Overseas Limited
Fibre Form Limited
Racal-Decca Limited

Racal Avionics Limited
Racal-Decca Marine Navigation Limited
Racal Defence Radar Limited
Racal Defence Electronics (Radar) Limited
Racal Radar Defence Systems Limited
Racal Marine Electronics Limited
Racal Marine Group Limited
Racal Positioning Systems Limited
Racal-MESL Limited (Scotland)
Racal Survey Limited
Racal Survey China Limited
Racal Survey (UK) Limited
Racal-Decca Service Limited
Weyrad (Electronics) Limited

Racal Security Limited
Albert Marston & Company Limited
Chubb & Son's Lock and Safe Company Limited
Chubb Security Installations Limited
Chubb Alarms Limited
Chubb Wardens Limited
Chubb Fire Limited
Racal Panorama Limited
Chubb International Limited
Chubb (N.I.) Limited (Northern Ireland)
C.E. Marshall (Wolverhampton) Limited
Josiah Parkes & Sons Limited
Racal-Chubb Data Security Limited
Racal-Guardata Limited
Racal-Transcom Limited
Racal-Chubb Security Systems Limited
Union Locks Limited
L & F Willenhall Limited
Racal-Acoustics Limited
Racal Antennas Limited
Racal Communications Limited
Racal Communications Systems Limited
Racal-Comsec Limited
Racal Engineering Limited
Racal Finance Limited
Racal Group Services Limited
Racal-Guardall (Scotland) Limited (Scotland)
Racal Instrumentation Limited
Racal Instruments Limited
Racal Recorders Limited
Racal International Limited
Racal Microelectronic Systems Limited
Racal-Milgo Limited
Racal Properties Limited
Racal-Redac Systems Limited
Racal Research Limited
Racal Safety Limited
Racal-Tacticom Limited
Racal-Tacticom Systems Limited
Racal Training Services Limited

Subsidiaries (North America):

The Racal Corporation
11 Penn Plaza
New York, New York 10001
(212) 268-0918

North American Corporate Headquarters

The Racal Corporation
1800 Corporate Boulevard, NW
Boca Raton, Florida 33431
(305) 997-9554

DATA COMMUNICATIONS

Racal-Milgo
1601 N. Harrison Parkway
Sunrise, Florida 33323
(305) 475-1601

Racal-Vadic
1525 McCarthy Boulevard
Milpitas, California 95035
(408) 432-8008

SPECIALIZED ELECTRONICS

Racal-Dana Instruments, Inc
4 Goodyear Street
Irvine, California 92718
(714) 859-8999

Racal Recorders, Inc
4 Goodyear Street
Irvine, California 92718
(714) 380-0900

Racal-Redac, Inc
Westford, Massachusetts 01886
(617) 692-4900

AVIONICS and MARINE ELECTRONICS

Racal Avionics, Inc
8851 Monard Drive
Silver Spring, Maryland 20910
(301) 495-6695

Racal-Decca Canada Ltd
1290 Aimco Boulevard
Mississauga, Ontario L4W 1B2 Canada
(416) 629-3099

Racal Marine Inc
70 Jackson Drive
Cranford, New Jersey 07016
(201) 272-4222

Racal Survey, Inc
4281 Dacoma
Houston, Texas 77092
(713) 691-2363

DEFENSE ELECTRONICS

Racal Communications, Inc
5 Research Place
Rockville, Maryland 20850
(301) 948-4420

Racal (Canada) Inc
1806 Woodward Drive
Ottawa, Ontario K2C OP7 Canada
(613) 225-4640

HEALTH and SAFETY

Racal Airstream, Inc
7309A Grove Road
Frederick, Maryland 21701
(301) 695-8200

SECURITY

Racal-Chubb Canada Inc
5201 Explorer Drive
Mississauga, Ontario L4W 4H1 Canada
(416) 629-2600

Racal-Chubb Security Systems, Inc
5025 Burnet Road
Austin, Texas 78756
(512) 458-8104

Racal-Guardall, Inc
7309 Grove Road
Frederick, Maryland 21701
(301) 695-8010

Racal-Guardata, Inc
606 East Chapman Avenue
Orange, California 92666
(714) 771-7250

National Foam Systems, Inc
150 Gordon Drive
Lionville, Pennsylvania 19353
(215) 363-1400

Transfer Agent(s):

Barclay Registrars Limited
Bourne House, 34 Beckenham Road
Beckenham, Kent BR3 4TU England

Stock Exchange(s): London

Number of Employees:

1990	37,414	1987	32,418
1989	33,702	1986	32,545
1988	31,910		

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1990	£ 1,973,690	£ 116,972
1989	1,589,393	116,915
1988	1,366,790	88,492
1987	1,290,847	64,448
1986	1,266,331	61,042

	No. of Com. Shares ‡	Earn per Shares † ‡
1990	1,285,115,526	9.10p
1989	1,267,634,134	9.22
1988	1,251,296,238	7.07
1987	1,144,019,996	5.63
1986	1,141,466,428	5.35

£ - pound sterling
† Before extraordinary items
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

	1990	1989
Security	$ 627,116	£ 527,824
Telecommunications	405,025	241,711
Data communications	335,627	286,060
Radio communications	149,299	133,511
Defense radar & avionics	143,871	126,231
Marine & energy	134,984	105,686
Specialized businesses	173,689	168,251
Network services	4,079	119
Total	£ 1,973,690	£ 1,589,393

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	3.61p	—	2-for-1
1989	3.01	—	—
1988	2.23	—	—
1987	1.15	—	—
1986	1.52	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity † (000's)	Equity Per Share ‡
1990	£ 768,533	59.80p
1989	765,777	60.41
1988	456,781	36.50
1987	447,142	39.08
1986	429,412	37.62

† Net of intangible fixed assets
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Income Account*
(000's)

Year ended Mar. 31	1990	1989
Turnover	£ 1,973,690	£ 1,589,393
Cost of sales	1,283,121	1,028,220
Selling & distr. exp	249,383	226,483
Administrative exp	201,775	156,965
Share of loss of assoc cos	1,469	939
Exceptional items	15,882	(14,779)
Interest expense	45,718	40,328
Interest income	(25,030)	(26,700)
Income bef. taxes	£ 201,372	£ 177,937
Income taxes	59,233	51,949
Minority interest	25,167	9,073
Net Income	£ 116,972	£ 116,915
Extraord. items	(6,077)	279,704
Net Income & extraord. items	£ 110,895	£ 396,619

* Included in Costs and Expenses, Depreciation £ 99,528,000 in 1990 and £ 75,789,000 in 1989

Assets
(000's)

As of Mar. 31	1990	1989
Cash	£ 59,188	£ 54,886
*Stocks	368,820	343,237
Debtors	752,058	593,812
Deposits	67,802	189,405
Currents Assets	£ 1,247,868	£ 1,181,340
Investments	12,490	9,111
≡Fixed assets	707,623	511,594
Intangibles	2,435	1,200
Total Assets	£ 1,970,416	£ 1,703,245

Liabilities
(000's)

	1990	1989
Long-term debt, curr	£ 22,090	£ 12,423
Short-term borrowings	365,931	216,100
Accts. payable	227,396	178,322
Amts. owed to assoc. cos	457	4,841
Advance receipts	42,466	29,817
Corporation taxes	75,940	73,271
Finance lease oblig	4,218	3,614
Other taxes	33,951	28,637
Other creditors	29,431	26,776
Accruals	167,107	125,595
Deferred purch. agree	2,179	508
Proposed dividend	34,470	29,171
Curr. Liabilities	£ 1,005,636	£ 729,075

Long-term debt	84,512	110,383
Other liabilities	28,351	24,217
Deferred taxes	15,829	29,576
Minority interest	65,120	43,017
+Common stock	324,230	160,083
Add paid-in capital	42,398	178,661
Revaluation reserve	2,304	2,617
Profit and loss account	402,036	425,616
Total Liabilites & Shareholders' Equity	£ 1,970,416	£ 1,703,245

• At lower of cost and estimated net relizable value
≠ Less accumulated depreciation
+ 25p par value

Statistical Summary

% Income bef. taxes to Sales	10.20	11.20
% Net Income to Sales	5.93	7.36
% Net Income to Equity	15.17	15.24
Sales to Inventories	5.35	4.52
Debt to Equity	0.61	0.44
Working Capital	£ 242,232,000	£ 452,265,000
Current Ratio	1.24	1.62
Shareholders' Equity	£ 770,968,000	£ 766,977,000

Radiation Systems, Inc.

1501 Moran Road
Sterling, Virginia 22170
(703) 450-5680
FAX: (703) 450-4706

Officers: Richard E. Thomas, chief executive officer, president & treasurer; Junius H. Arnold, Jr., sr. v.p.; Mark D. Funston, v.p. finance; D. Doss McComas, v.p. & general counsel; Harold Aryai Siegel, v.p.; Yari V. Vondrich, v.p.; Marvin D. Shoemake, v.p.; Robert M. Thomas, v.p.; Anita M. Stutzman, corp. secretary

Directors: Richard E. Thomas, chairman; Calhoun J. Killeen, Lee M. Paschall, Irvin G. Ray, John D. Sanders

Areas of Work: Designs, manufactures and installs high-technology antenna products for the military, air traffic control, satellite and point-to-point communications markets.

Divisions:

Universal Antennas
900 Alpha Drive
Richardson, Texas 75081
(214) 690-8865

SatCom Technologies
4825 River Green Parkway
Duluth, Georgia 30136
(404) 497-8800

Mark Antennas
2180 S. Wolf Road
Des Plaines, Illinois 60018
(312) 298-9420

Mexia Fabricators, Inc.
1004 North Avenue A
P.O. Box 458
Wortham, Texas 76693
(817) 765-3304

Technical Products
1501 Moran Road
Sterling, Virginia 22170
(703) 450-5680

Electromechanical Systems
6200 118th Avenue, North
Largo, Florida 34643
(813) 541-6681

Educational Systems Division
1501 Moran Road
Sterling, Virginia 22170
(703) 450-5680

Transfer Agent(s):

The Riggs National Bank of Washington, D.C.
808 17th St., N.W., Suite 240
Washington, Washington D.C. 20006-3950

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RADS (NASDAQ)

Number of Employees:

1990	584	1987	421
1989	529	1986	472
1988	400		

Plant Footage:

1990	410,000 sq. ft.	1987	319,000
1989	385,000	1986	387,000
1988	338,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 85,230,000	$ 5,644,000
1989	54,914,000	3,317,000
1988	44,327,000	4,045,000
1987	43,812,000	3,115,000
1986	47,508,000	4,199,000

	No. of Com. Shares	Earn. per Share #
1990	5,485,000	$ 1.04
1989	5,415,000	0.63
1988	4,915,000	0.79
1987	5,561,000	0.56
1986	5,586,000	0.87

Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990 (000's)	%	1989 (000's)	%
Commercial satellite comm.	$ 32,400	38 %	$ 12,700	23 %
Tactical military	10,500	12	11,000	20
Terrestrial microwave	10,900	13	9,400	17
Scientific/special applic.	8,900	10	7,700	14
Radar/navigation aids	22,500	27	14,100	26
Total	$ 85,200	100 %	$ 54,900	100 %

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 57,449,000	$ 10.47
1989	52,107,000	9.62
1988	49,068,000	9.98
1987	51,051,000	9.18
1986	48,180,000	8.63

Income Account*

Year ended June 30	1990	1989
Net sales	$ 85,230,000	$ 54,914,000
Other income	423,000	889,000
Total income	$ 85,653,000	$ 55,803,000
Cost of sales	65,665,000	41,144,000
Expenses	10,544,000	9,032,000
Interest expense	499,000	312,000
Income before taxes	$ 8,945,000	$ 5,315,000
Income taxes	3,301,000	1,998,000
Net Income	$ 5,644,000	$ 3,317,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,274,000 in 1990 and $1,945,000 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 1,271,000	$ 4,835,000
Short-term invest.	3,239,000	6,687,000
Accts. receiv., net	23,416,000	11,901,000
Refundable taxes	—	1,002,000
Unbilled costs & accrued profits	28,782,000	20,460,000
*Inventories	17,286,000	10,675,000
Other current assets	453,000	435,000
Current Assets	$ 74,447,000	$ 55,995,000
≠Fixed assets	17,924,000	14,768,000
Other assets	4,315,000	4,757,000
Total Assets	$ 96,686,000	$ 75,520,000

Liabilities

Bank line of credit	$ 6,900,000	$ 500,000
Long-term debt, curr.	456,000	703,000
ESOP debt, curr.	610,000	420,000
Accts payable	9,771,000	6,600,000
Accrued payroll	2,267,000	1,695,000
Income taxes payable	769,000	—
Deferred inc. taxes	3,440,000	3,155,000
Other curr. liabilities	1,881,000	869,000
Curr. liabilities	$ 26,094,000	$ 13,942,000
Long-term debt	4,552,000	2,661,000
Other liabilities	2,651,000	1,190,000
Deferred inc. taxes	1,611,000	1,738,000
ESOP debt	4,329,000	3,882,000
+Common stock	5,726,000	5,656,000
Add. paid-in capital	22,963,000	22,153,000
Retained earnings	35,703,000	30,599,000
Treasury stock	(2,004,000)	(1,999,000)
Debt guarantee for ESOP	(4,939,000)	(4,302,000)
Total Liabilities & Shareholders' Equity	$ 96,686,000	$ 75,520,000

* At lower of cost (FIFO) or market.
≠ Less accumuated depreciation
+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	6.98	9.68
% Net Income to Sales	6.62	6.04
% Net Income to Equity	9.82	6.37
Sales to Inventories	4.93	5.14
Debt to Equity	0.29	0.16
Working Capital	$ 48,353,000	$ 42,053,000
Current Ratio	2.85	4.02
Shareholders' Equity	$ 57,449,000	$ 52,107,000

Radio Frequency Company, Inc.

P.O. Box 540158
150 Dover Road
Millis, Massachusetts 02054
(617) 762-4900
FAX: (617) 762-4952

Officers: Thomas W. James, president & chief exec. officer; Wallace J. Ross, v.p.; Ruth Y. Manwaring, clerk; Melvyn H. Harris, treasurer

Directors: Melvyn H. Harris, Norman Barlow, Ruth Y. Manwaring, A. Lee MacPhail, Robert L. Warren, Jr., Rosamond B. Andrews, Thomas W. James, Norma A. Greene

Areas of Work: Designs, manufactures and sells high technology, high precision heat processing systems for the industrial market.

Subsidiary:

LaRose Associates, Inc.

Transfer Agent(s):

Boston Safe Deposit & Trust
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Sales & Earnings

	Revenues	Net Income
1991	$ 6,901,750	$ 664,593
1990	5,475,443	594,691
1989	3,781,672	568,325
1988	1,677,813	(295,104)
1987	2,249,622	155,157

	No. of Com Shares +	Earn per Share #
1991	903,863	$ 0.72
1990	903,863	0.66
1989	897,792	0.63
1988	897,792	—
1987	897,792	0.17

(Loss)
+ Adjusted to reflect stock split
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1991	$ 0.16	—	—
1990	0.15	—	—
1989	0.14	—	2-for-1
1988	0.14	—	—
1987	0.14	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1991	$ 3,457,719	$ 3.83
1990	2,917,744	3.23
1989	2,435,866	2.71
1988	1,993,232	2.22
1987	2,409,538	2.68

‡ Adjusted to reflect stock split

Income Account *

Year ended Mar. 31	1991	1990
Revenues	$ 6,976,478	$ 5,562,417
Cost of sales	4,352,075	3,389,080
Expenses	1,547,971	1,257,224
Other income	(65,462)	(77,335)
Income before taxes	$ 1,141,894	$ 993,448
Income taxes	477,301	398,757
Net Income	$ 664,593	$ 594,691

* Included in Costs and Expenses, Depreciation $154,784 in 1991 and $135,020 in 1990

Assets

As of March 31	1991	1990
Cash & cash equiv	$ 1,372,269	$ 230,534
Accts. receiv., net	717,989	945,276
*Inventories	1,278,344	1,898,676
Prepaid expenses	112,621	90,095
Current Assets	$ 3,481,223	$ 3,164,581
#Fixed assets	876,416	936,469
Total Assets	$ 4,357,639	$ 4,101,050

Liabilities

Accts. payable	$ 178,778	$ 299,125
Accrued inc. taxes	45,772	103,168
Other accruals	498,673	461,930
Customer deposits	172,623	296,119
Curr. Liabilities	$ 895,846	$ 1,160,342
Deferred inc. taxes	4,074	22,964
+Common stock	1,028,968	1,028,968
Add. paid-in capital	375,830	375,830
Retained earnings	2,423,464	1,903,489
Treasury stock	(320,543)	(320,543)
Demand note receiv.-officer	(50,000)	(70,000)
Total Liabilities & Shareholders' Equity	$ 4,357,639	$ 4,101,050

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	16.37	17.86
% Net Income to Sales	9.53	10.69
% Net Income to Equity	19.22	20.38
Sales to Inventories	5.46	2.93
Working Capital	$ 2,585,377	$ 2,004,239
Current Ratio	3.89	2.73
Shareholders' Equity	$ 3,457,719	$ 2,917,744

Ragen Corporation

9 Porete Avenue
North Arlington, New Jersey 07032
(201) 997-1000
FAX (201) 997-6948

Officers: E. Harenza Thomas, chairman of the board & president; Alexander C. Tomkins, Jr., v.p.-finance & secretary

Directors: E. Harenza Thomas, chairman; I.L. Lopata, Kamran Abrishami, Eugene E. Lopata, A.C. Tomkins, Jr., Bohdan J. Kekish, Paul A. Fund, Frank Fitzsimmons

Areas of Work: Manufactures precision mechanical components for the business equipment, automotive and nuclear industries, and manufactures and leases proprietary products and systems for government and industry

Subsidiaries:

Ragen Systems, Inc.
North Arlington, New Jersey

Ragen Precision, Inc.
North Arlington, New Jersey

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RAGN (NASDAQ)

Number of Employees:

1990	110	1987	407
1989	115	1986	460
1988	132		

Plant Footage:

1990	60,000 sq. ft.	1987	137,000
1989	60,000	1986	180,000
1988	60,000		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 6,706,000	$ (1,465,000)
1989	7,750,000	(1,831,000)
1988	8,428,000	(1,751,000)
1987	12,826,000	(4,619,000)
1986	14,061,000	(840,000)

	No. of Com Shares ‡	Earn. per Share ‡
1990	4,962,000	$ —
1989	4,881,000	—
1988	4,880,000	—
1987	4,873,000	—
1986	4,851,000	—

(Loss)
+ Of continuing operations only
‡ Based on the average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Precision mech. components	$ 4,556,000	$ 4,813,000
Proprietary syst. & equip.	2,150,000	2,937,000
Total	$ 6,706,000	$ 7,750,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 1,125,000	$ 0.23
1989	1,624,000	0.33
1988	3,456,000	0.71
1987	5,198,000	1.07
1986	9,780,000	2.02

‡ Based on the average number of shares outstanding

Income Account *
(000's)

Year ended Sept. 30	1990	1989
Net sales	$ 6,706	$ 7,750
Cost of sales	6,257	7,048
Expenses	1,887	1,931
Prov. for doubtful accts.	128	223
Research & develop.	23	45
Interest income	(60)	(97)
Gain on sale of machinery	—	(70)
Other income	(177)	(57)
Interest expense	200	240
Prov. for doubtful notes rec.	—	200
Litigation proceeds	(175)	—
Costs of discont. prod. line	—	84
Loss-cont. oper.	$ (1,377)	$ (1,797)
Loss-discont. oper.	(88)	(34)
Net Loss	$ (1,465)	$ (1,831)

* Included in Costs and Expenses, Depreciation and Amortization: $680,000 in 1990 and $776,000 in 1989.

Assets
(000's)

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 915	$ 720
Short-term invest.	371	—
Accts. receiv., net	854	1,100
*Inventories	1,408	1,859
Prepaid expenses	111	195
Current Assets	$ 3,659	$ 3,874
#Fixed assets	2,227	2,715
Other assets	202	223
Total Assets	$ 6,088	$ 6,812

Liabilities
(000's)

Notes payable & long-term debt, curr	$	191	$	124
Accts payable		426		825
Deferred revenue		196		323
Est legal fees		—		350
Accruals		1,285		723
Net liab of discont oper		303		281
Curr Liabilities	$	2,401	$	2,626
Long-term debt		2,562		2,562
•Common stock		736		609
Add paid-in capital		12,041		11,202
Retained earnings (deficit)		(11,652)		(10,187)
Total Liabilities & Shareholders' Equity	$	6,088	$	6,812

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
• $0.125 par value

Statistical Summary

Sales to Inventories		4.76		4.18
Debt to Equity		2.45		1.65
Working Capital	$	1,258,000	$	1,248,000
Current Ratio		1.52		1.48
Shareholders' Equity	$	1,125,000	$	1,624,000

Ramtek Corporation

1525 Atteberry Lane
San Jose, California 95131
(408) 954-2700
FAX (408) 954-0118

(On September 29, 1988, the company filed a voluntary petition with the Bankruptcy Court for reorganization under Chapter XI. Since the filing of the petition, the company has operated its business and properties as debtor-in possession.)

Officers: James A. Swanson, president, chief executive officer; Bill R. Finley, v.p.-chief financial officer; Dick Maihofer, v.p., sales and project management; W. Mike Tyler, v.p.-marketing; James L. Nocar, v.p.- engineering

Directors: Gary A. Land, chairman; Joseph Bojues; James A. Swanson; George Von Gehr; J Garrett Fitzgibbons

Areas of Work: The Company designs and develops computer display systems for imaging and graphics markets such as command and control, computer-aided-design, process control, remote sensing, weather, seismic and medical imaging.

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RMTK (NASDAQ)

Number of Employees: (at fiscal year-end)

1990	123	1987	303
1989	120	1986	319
1988	185		

Plant Footage:

1990	43,000 sq. ft.	1987	85,000
1989	43,000	1986	85,000
1988	43,000		

Sales & Earnings

		Revenues •		Net Income †
1990	$	17,600,000	$	12,041,000
1989		19,271,000		217,000
1988		22,898,000		N.A.
1987		23,895,000		N.A.
1986		30,892,000		(3,552,000)

	No. of Com. Shares ≠		Earn. per Share † ≠
1990	4,346,000	$	2.77
1989	4,099,000		0.05
1988	N.A.		—
1987	N.A.		—
1986	3,498,000		—

NOTE: Statements of operations for 1988 and 1987 fiscal years are not available on an audited basis, and the information presented has been prepared by the company without audit and is based on management's best estimates. N.A. indicates that management is not able to estimate the information on a reliable basis.
(Loss)
• Of continuing operations only
† Including extraordinary gains of $12,485 ($2.87 per share) in 1990 and $397,000 ($0.10 per share) in 1989.
≠ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	4,038,000	$	0.93
1989		(10,983,000)		—
1988		(11,200,000)		—
1987		N.A.		—
1986		15,004,000		4.29

(Deficiency)
N.A. - Not Available
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account*

Year ended June 30		1990		1989
Product sales	$	14,171,000	$	12,850,000
Service & other rev		3,429,000		3,321,000
Sales of technology		—		3,100,000
Total revenues	$	17,600,000	$	19,271,000
Cost of revenues		9,233,000		10,118,000
Product development		4,296,000		2,974,000
Expenses		4,908,000		5,274,000
Interest expense		35,000		519,000
Interest income		(205,000)		(92,000)
Other expense (income)		(223,000)		198,000
Inc (loss) bef taxes	$	(444,000)	$	280,000
Income taxes		—		460,000
Net Loss	$	(444,000)	$	(180,000)
Extraord gain		12,485,000†		397,000
Net Loss & extraord gain	$	12,041,000	$	217,000

* Included in Costs and Expenses, Depreciation and Amortization: $740,000 in 1990 and $1,658,000 in 1989

Assets

As of June 30		1990		1989
Cash & cash equiv	$	823,000	$	1,371,000
Accts receiv net		2,399,000		2,459,000
Unbilled receiv		887,000		
*Inventories		2,808,000		3,184,000
Prepaid expenses		203,000		240,000
Current Assets	$	7,120,000	$	7,254,000
≠ Fixed assets		1,197,000		1,296,000
Software develop costs		14,000		209,000
Total Assets	$	8,331,000	$	8,759,000

Liabilities

Note payable to bank	$	—	$	300,000
Convert subord debt		—		11,500,000
Accts payable		1,530,000		3,222,000
Accruals		2,519,000		4,420,000
Advance cust payments		244,000		300,000
Curr Liabilities	$	4,293,000	$	19,742,000
•Common stock		46,000		40,000
•Jr common stock		—		1,000
Add paid-in capital		4,104,000		29,480,000
Retained earnings (deficit)		(112,000)		(40,504,000)
Total Liabilities & Shareholders' Equity	$	8,331,000	$	8,759,000

* At lower of cost (average) or market
≠ Less accumulated depreciation and amortization
• $0.01 par value

Statistical Summary

Sales to Inventories		5.05		4.04
Working Capital	$	2,827,000		—
Current Ratio		1.66		—
Shareholders' Equity (Deficiency)	$	4,038,000	$	(10,983,000)

Raven Industries, Inc.

205 E. 6th Street
Sioux Falls, South Dakota 57117
(605) 336-2750
FAX (605) 335-0268

Mailing address:
P.O. 1007
Sioux Falls, South Dakota 57117

Officers: Conrad J. Hoigaard, chairman of the board; David A. Christensen, president & chief executive officer; Gary L. Conradi, v.p.-corp. services; Ronald M. Moquist, exec. v.p.; Arnold J. Thue, v.p.-finance, treasurer & secretary.

Directors: David A. Christensen, Conrad J. Hoigaard, Robert G. May, John C. Skoglund, Mark E. Griffin, Kevin T. Kirby

Areas of Work: Supplies plastic, electronic, and special-fabric products to five major markets: Defense, Recreation, Industrial, Agriculture, & Automotive

Divisions:

Sportswear Division
Products include the "Swing West" line of ski clothing, "Raven" line of snowmobile suits and general outerwear, "Comfy" down insulated garments, "AFRC" cross-country ski clothing, "Gore-Tex" military and hunting clothes, as well as private label garments.

Plastics Division
Products include fiberglass and polyethylene tanks for agricultural, industrial and water conditioning use, custom fabricated fiberglass parts and designs for water and sewage treatment markets, and the construction and machinery markets, fiberglass pickup truck toppers, and fiberglass utility truck bodies.

Electronic Systems Division
Products include batch weighing, control and inventory systems, turbine helicopter auto-restart units, audio amplifiers, industrial annunciators, turbine engine speed controls, turbine engine test sets, FAA radio beacon monitor alarms, telemetry systems, U.S. Government electronic assemblies, electronic agricultural and industrial products and printed circuit assembly services.

Applied Technology Division
Products and services include plastic tarpaulins, hot air sports balloons, high altitude research balloons, heavy load lifting balloons, decelerators (parachutes), contract engineering and research, hot air blimps, and AdverBlimps.

Subsidiaries:

Aerostar International, Inc.
Beta Raven, Inc.
Manufactures Electronic Control Systems

Glasstite, Inc
Dunnell, Minnesota
Manufactures fiberglass pickup toppers and utility truck bodies

Astoria Industries, Inc
Jackson, Minnesota
Manufactures fiberglass utility truck bodies

Transfer Agent(s):

Norwest Bank Minneapolis, N A
Minneapolis, Minnesota

Norwest Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: RAV

Number of Employees: (at fiscal year end)

1990	1,141	1987	942
1989	1,157	1986	664
1988	1,034		

Sales & Earnings

	Net Sales	Net Income
1991	$ 85,502,000	$ 4,605,000
1990	90,972,783	4,234,757
1989	77,562,863	2,929,588
1988	64,304,867	2,656,052
1987	52,303,056	2,121,678

	No. of Com Shares ‡	Earn. per Share ‡
1991	3,136,000	$ 1.47
1990	3,226,000	1.31
1989	3,217,000	0.91
1988	3,207,000	0.83
1987	3,169,000	0.67

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Revenues by Line of Business

	1991	1990
Electronics	$ 26,420,000	$ 19,933,000
Plastics	32,998,000	35,508,000
Sewn products	26,084,000	35,532,000
Total	$ 85,502,000	$ 90,973,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1991	$ 0.33	—	—
1990	0.27	—	2-for-1
1989	0.23	—	—
1988	0.22	—	—
1987	0.21	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1991	$ 26,310,000	$ 8.66
1990	22,801,810	7.51
1989	21,448,133	6.72
1988	19,170,349	6.04
1987	17,154,516	5.44

‡ Adjusted to reflect stock split

Income Account*

Year ended Jan. 31	1991	1990
Net sales	$ 85,502,000	$ 90,972,783
Cost of sales	67,817,000	72,795,418
Expenses	10,374,000	10,716,309
Interest expense	705,000	777,130
Other income	(465,000)	(146,831)
Income before taxes	$ 7,071,000	$ 6,830,757
Income taxes	2,466,000	2,596,000
Net Income	$ 4,605,000	$ 4,234,757

* Included in Costs and Expenses, Depreciation and Amortization $2,269,000 in 1991 and $2,777,379 in 1990.

Assets

As of Jan. 31	1991	1990
Cash & cash equiv	$ 1,345,000	$ 946,244
Accts. receiv., net	11,882,000	11,731,872
*Inventories	19,754,000	17,551,413
Prepaid expenses	328,000	340,040
Current Assets	$ 33,309,000	$ 30,569,569
≠Fixed assets	8,368,000	7,163,161
Other assets	1,835,000	1,814,155
Total Assets	$ 43,512,000	$ 39,546,885

Liabilities

	1991	1990
Long-term debt, curr	$ 1,132,000	$ 1,298,926
Accts. payable	5,297,000	4,635,287
Accruals	5,036,000	5,069,373
Customers advances	682,000	242,985
Curr. Liabilities	$ 12,147,000	$ 11,246,571
Long-term debt	4,679,000	4,966,504
Deferred income taxes	376,000	532,000
+Common stock	3,249,000	3,216,793
Add. paid-in capital	1,231,000	1,124,545
Retained earnings	24,164,000	20,572,694
Treasury stock	(2,334,000)	(2,112,222)
Total Liabilities & Shareholders' Equity	$ 43,512,000	$ 39,546,885

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation
+ $1 par value

Statistical Summary

	1991	1990
% Income bef. Taxes to Sales	8.27	7.51
% Net Income to Sales	5.39	4.65
% Net Income to Equity	17.50	18.57
Sales to Inventories	4.33	5.18
Debt to Equity	0.22	0.27
Working Capital	$ 21,162,000	$ 19,322,998
Current Ratio	2.74	2.72
Shareholders' Equity	$ 26,310,000	22,801,810

Raychem Corporation

300 Constitution Drive
Menlo Park, California 94025-1164
(415) 361-3428
FAX (415) 361-5447

Officers: Robert Saldich, president & chief executive officer; Edward A. Keible, Jr., sr. v.p.; Michael T. Everett, sr. v.p. & secretary; William E. Mitchell, sr. v.p.; James B. Spradling, v.p.; Harry O. Postlewait, sr. v.p.; David D. Tait, v.p.; William N. Kiely, v.p.; Thomas S. Huseby, v.p.; Richard C. Sovish, v.p.; Raymond J. Sims, v.p. & treasurer; Francis J. Lunger, v.p.-finance; Robert J. Vizas, secretary; Rene Raecke, v.p.; Peter S. Carson, V.P.

Directors: Robert Saldich, chairman; Paul M. Cook; Robert G. Engel; Detlev K. Rohwedder; Dean O. Morton; Robert M. Halperin; J. Kenneth Jamieson; James F. Gibbons

Areas of Work: The company is organized in four business segments that develop, manufacture and sell a variety of high-performance products for customers in a number of industries. The Electronics Business Segment serves the major manufacturers in the aerospace, defense, mass transit, automotive, computer, communications, and commercial and industrial electronics industries. The Industrial Business Segment serves industrial infrastructure customers, including electric, gas, and water utilities and industrial plants and pipelines. The Telecommunications Business Segment serves the telephone and cable television industries, providing a wide variety of products for telephone operating companies and cable television providers around the world. The Raynet Business Segment develops a variety of fiber-optic hardware and software products that provide a cost-effective alternative to copper in the local loop for telephone, cable television, and business services companies.

The Industrial business segment consists of the development, manufacture and sale of electric heat-tracing systems, power cable accessories, electric insulation products, heat-shrinkable sleeves and coatings for pipeline protection, leak detection systems and cathodic protection products.

The Telecommunications business segment consists of the development, manufacture and sale of systems that connect, protect, repair and seal outside-plant telecommunication networks. Products include telephone cable splice cases, aerial closure systems, cable repair sleeves and cable termination products.

The Ventures and Other business segment includes the research and development, manufacture and sale of liquid crystal displays, packages for single and multiple integrated circuits, optic technologies and systems, and touch screen systems.

Subsidiaries:

Chemgene France S.A.
Compagnie Francaise des Isolants
Elographics, Inc.
K.K. Raychem
Raychem AG
Raychem Aktie Bolag
Raychem A/S
Raychem (Australia) Proprietary, Ltd.
Raychem Canada Limited
Raychem (Delaware) Ltd.
Raychem DISC, Inc.
Raychem Far East, Inc.
Raychem Foreign Sales Corporation
Raychem Gesellschaft m.b.H.
Raychem gmbH
Raychem (H.K.) Limited
Raychem Industrial y Comercial Limitada
Raychem Industries, Inc.
Raychem Industries N.V.
Raychem Inter-America, Inc.
Raychem International Corporation
Raychem International, Limited
Raychem International Manufacturing Corporation
Raychem Limited
Raychem (Nederland) B.V.
Raychem New Zealand Limited
Raychem N.V.
Raychem OY
Raychem Pontoise S.A.
Raychem Produtos Irradiados Ltda
Raychem Puerto Rico Corporation
Raychem Radiation Technologies, Inc.
Raychem S.A.
Raychem S.A. Industrial y Comercial
Raychem Saudi Arabia Limited
Raychem Singapore Pte. Limited
Raychem S.p.A.
Raychem Technologies E.C.
Raychem Technologias, S.A. de C.V.
Raychem de Venezuela, C.A.
Raychem Ventures, Inc.
Raynet Corporation
Remtek Corporation
SHG Strahlenchemie Holding GmbH
Sigmaform Corporation
Taliq Corporation
Walter Rose GmbH & Co. KG

Raychem Corporation

Transfer Agent(s):

Harris Trust and Savings Bank
Chicago, Illinois

Stock Exchange(s): New York

Ticker Symbol: RYC

Number of Employees:

1990	11,065	1987	9,899
1989	11,451	1986	9,928
1988	10,909		

Plant Footage:

1990	6,599,000 sq. ft.	1988	5,181,000
1989	6,343,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,114,713,000	$ (111,398,000)
1989	1,083,028,000	36,347,000
1988	1,094,733,000	125,285,000
1987	944,434,000	73,599,000
1986	797,632,000	48,790,000

	No. of Com. Shares ≠	Earn. per Share ≠
1990	35,708,523	$ —
1989	34,928,935	1.04
1988	33,979,365	3.69
1987	32,738,442	2.25
1986	31,508,283	1.55

(Loss)
≠ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Electronics	$ 474,833,000	$ 493,643,000
Industrial	340,127,000	309,499,000
Telecommunications	292,128,000	276,926,000
Raynet	7,625,000	2,960,000
Total	$ 1,114,713,000	$ 1,083,028,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.32	—	—
1989	0.30	—	—
1988	0.22	—	3-for-1
1987	0.15	—	—
1986	0.15	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 690,467,000	$ 19.34
1989	734,286,000	21.02
1988	722,155,000	21.25
1987	570,946,000	17.44
1986	452,464,000	14.36

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1990	1989
Net sales	$ 1,114,713,000	$ 1,083,028,000
Cost of sales	562,102,000	511,299,000
Expenses	540,557,000	516,839,000
Prov. for restruc.	90,000,000	—
Interest expense (income)	(2,240,000)	1,953,000
Gain on sale of subsid.	—	(7,266,000)
Other expense (income)	10,555,000	(3,564,000)
Inc. (loss) bef. taxes	$ (86,261,000)	$ 63,767,000
Income taxes	25,137,000	27,420,000
Net Income (Loss)	$ (111,398,000)	$ 36,342,000

* Included in Costs and Expenses, Depreciation and Amortization: $76,261,000 in 1990 and $72,337,000 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 137,032,000	$ 153,005,000
Accts. receiv., net	256,365,000	242,859,000
* Inventories	239,817,000	221,264,000
Prepaid taxes	38,954,000	29,739,000
Other curr. assets	51,755,000	26,050,000
Current Assets	$ 723,923,000	$ 672,917,000
≠ Fixed assets	460,425,000	403,357,000
Other assets	86,486,000	96,509,000
Total Assets	$ 1,270,834,000	$ 1,172,783,000

Liabilities

	1990	1989
Notes payable	$ 171,836,000	$ 88,589,000
Long-term debt, curr.	10,031,000	12,676,000
Accts. payable	62,333,000	58,273,000
Compensation & benefits	60,549,000	58,770,000
Accrued restruc. costs	46,490,000	—
Other accruals	49,264,000	66,964,000
Income taxes	55,470,000	29,948,000
Curr. Liabilities	$ 455,973,000	$ 315,220,000
Long-term debt	31,087,000	29,029,000
Deferred inc. taxes	27,317,000	22,894,000
Other liab.	39,236,000	41,985,000
Minority interest	26,754,000	29,369,000
+ Common stock	36,424,000	35,241,000
Add. paid-in capital	230,158,000	202,844,000
Retained earnings	409,364,000	532,187,000
For. curr. trans.	23,527,000	(26,448,000)
Notes receiv. from sale of stock	(9,006,000)	(9,538,000)
Total Liabilities & Shareholders' Equity	$ 1,270,834,000	$ 1,172,783,000

* At lower of cost (principally FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	—	5.89
% Net Income to Sales	—	3.76
% Net Income to Equity	—	4.95
Sales to Inventories	4.65	4.89
Debt to Equity	0.31	0.18
Working Capital	$ 267,950,000	$ 357,697,000
Current Ratio	1.59	2.13
Shareholders' Equity	$ 690,467,000	$ 734,286,000

Raytheon Company

141 Spring Street
Lexington, Massachusetts 02173
(617) 862-6600
FAX (617) 860-2172

Officers: Dennis J. Picard, chairman & chief executive officer; Max E. Bleck, president; Herbert Deitcher, sr. v.p. & treasurer; Walter H. Palmer, v.p.-external affairs; E. Leonard Kane, sr. v.p.-human resources; John R. Pasquarello, v.p.-manufacturing & environmental quality; Christoph L. Hoffmann, sr. v.p., secretary & general counsel; Sheldon Rutstein, sr. v.p. & controller; Aldo Massara, v.p.-international affairs; Gerard A. Smith, v.p.-Washington operations; David S. Dwelley, v.p.-strategic business development; James J. Lewis, v.p. & mgr.-Saudi Arabian Programs, Missile Systems Division; Walter V. Trainor, Jr., v.p. & mgr.-Patriot Program, Missile Systems Division; Walter M. Stowell, v.p. & gen. mgr.-Equipment Division; David A. Deardorf, v.p. & gen. mgr.-Semiconductor Division; Ronald W. Dunmire, president-Cedarapids, Inc.; Stanley L. Clark, president-Raytheon Marine Co.; George W. Sarney, sr. v.p. & group exec.-industry services; William C. Jones, Jr., president-Switchcraft, Inc.; Loren A. Korte, president-D.C. Heath & Co.; Henry J. Meyer, sr. v.p., chairman & chief exec. officer-Amana Refrigeration, Inc.; Ralph A. Martin, v.p. & president-Raytheon Service Company; Richard D. Curtis, v.p. & gen. mgr.-Electromagnetic Systems Division; John F. Harding, v.p.-contracts; John Booth, v.p. & Waltham plant mgr., Equipment Division manufacturing; Ronald D. Kalp, v.p. & gen. mgr.-Microwave and Power Tube Division; William H. Swanson, v.p. & Andover plant mgr., Missile Systems Division; Hermann Statz, gen. mgr.-Research Division; Ian R. Cheshire, pres.-Seismograph Service Corp.; James V. DiLorenzo, gen. mgr.-Advanced Device Center; Mike W. Fossier, v.p. & asst. gen. mgr.-Technical Missile Systems Division; Eric M. Levi, v.p. & asst. gen. mgr.-Development & Administration, Missile Systems Div.

Directors: Thomas L. Phillips, chairman; Harvey Brooks, James N. Land, Jr., Richard D. Hill, Colman M. Mockler, Jr., Albert L. Nickerson, Francis H. Burr, Joseph J. Sisco, Theodore L. Eliot, Jr., Ferdinand Colloredo-Mansfeld, Barbara B. Hauptfuhrer, Dennis J. Picard, James C. Fletcher.

Areas of Work: Engaged in the design, engineering, manufacture and servicing of advanced electronic devices, equipment, and systems for both commercial and government customers. Energy services include geophysical exploration and the design, engineering and construction of refineries, petrochemical facilities, and electrical generating plants. Manufactures and markets consumer appliances, and heating and cooling equipment. Also designs and manufactures aircraft used primarily for business flying. Engaged in the design, engineering, manufacture andservicing of advanced electronic devices, equipment, and systems for both commercial and government customers. Energy services include geophysical exploration and the design, engineering and construction of refineries, petrochemical facilities, and electrical generating plants. Manufactures and markets consumer appliances, and heating and cooling equipment. Also designs and manufactures aircraft used primarily for business flying. Engaged in the design, engineering, manufacture and servicing of advanced electronic devices, equipment, and systems for both commercial and government customers. Energy services include geophysical exploration and the design, engineering and construction of refineries, petrochemical facilities, and electrical generating plants. Manufactures and markets consumer appliances, and heating and cooling equipment. Also designs and manufactures aircraft used primarily for business flying.

Divisions, Subsidiaries & Affiliates:

D.C. Heath and Company
Lexington, Massachusetts; Indianapolis, Indiana
Produces and distributes textbooks and coordinated instructional materials, and science learning apparatus.

Seismograph Service Corporation
Tulsa, Oklahoma
Geophysical exploration.

The Badger Company, Inc.
Cambridge, MA; Houston, TX; New York, NY;
Tampa and Lakeland, Florida
Design, engineering and construction of petroleum, coal, petrochemical, chemical and fertilizer processing plants.

Amana Refrigeration, Inc.
Amana, Iowa; Fayetteville, Tennessee
Electric ranges, refrigerators, freezers, room and central air conditioners, heat pumps, microwave ovens.

Microwave and Power Tube Division
Northborough, Waltham, Burlington & Quincy, MA;
Chicago, Illinois
Microwave tubes, solid state microwave devices; lasers; broadcast and X-ray tubes; power supplies, industrial microwave heating systems; transformers; receiving and industrial tubes; particle accelerators; electronic hardware; night vision devices, molded plastic products, image intensifiers, light amplifier tubes, infrared detectors, medical electronics.

Caloric Corporation
Florence, South Carolina
Topton, Pennsylvania
Gas and electric ranges, microwave ovens, dishwashers, and related kitchen products.

Equipment Division
Sudbury, Wayland, Waltham and Marlborough,
Massachusetts
Surface and shipboard radar and navigation systems; military communications; radar instrumentation, air traffic control systems, data display systems; missile guidance electronics; software systems, vehicle traffic control systems.

Semiconductor Division
Mountain View, California
Transistors, diodes, and microelectric circuits.

Raytheon Marine Company
Hudson, New Hampshire
Marine radars, depth sounders, radiotelephones, direction finders, and related navigation aids.

Sorensen Company
Paxton, Illinois
Power supplies, power regulating equipment, precision welders, ultrasonic grinders.

Research Division
Lexington, Massachusetts
Materials and components for electronics.

Missile Systems Division
Bedford, Andover, Tewksbury, Lowell, MA;
Bristol, TN;
Manchester, New Hampshire
Air defense and tactical airborne systems, related radar, command and control systems, avionics.

Electromagnetic Systems Division
Santa Barbara, California
Re-entry systems, electronic counter-measures.

Submarine Signal Division
Portsmouth, Rhode Island
Anti-submarine warfare systems, submarine and airborne sonar, transducers, ocean systems and equipment.

Raytheon Service Company
Burlington, Massachusetts
Installation and maintenance of electronic systems and equipment; education and training.

Switchcraft, Inc.
Chicago, Illinois
Switches, jacks, plugs and connectors and audio accessory components.

Cedarapids, Inc.
Cedar Rapids, Iowa
Aggregate producing and asphalt mixing plants and paving equipment. Stationary and portable cone-type rock crushing machinery.

United Engineers & Constructors Inc.
Philadelphia, PA; Boston, Massachusetts
Design, engineering and construction of conventional and nuclear power facilities and general industrial plants.

Raytheon Canada Limited
Waterloo, Ontario, Canada
Surface and shipboard radar and navigation systems, military communications, air traffic control systems, data display systems, shipboard defense systems.

Cossor Electronics Limited
Harlow, Essex, England
Air traffic control radar, transponders, marine equipment, VHG radios, instruments, displays.

Lacroix & Kress, Klasing G.m.b.H. & Co.
Bramsche, West Germany
Ultra-fine wire, small diameter cable.

TAG Semiconductos Ltd.
Zurich, Switzerland
Semiconductor devices.

Data Logic Ltd.
England
Computer software and systems.

Electrical Installations Ltd.
England
Commercial installation of electrical systems.

Beech Aircraft Corporation
Wichita, Kansas
Designs and manufactures commuter, executive, personal military and special mission aircraft, cryogenic systems, air-frames, logistic support and target missiles.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, Pacific, Midwest

Ticker Symbol: RTN

Number of Employees:

1990	76,700	1987	76,500
1989	77,600	1986	75,000
1988	76,200		

Plant Footage:

1990	N.A.	1987	27,000,000
1989	28,500,000 sq. ft.	1986	27,000,000
1988	27,000,000		

N.A.-not Available

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 9,267,700	$ 557,300
1989	8,796,100	528,800
1988	8,192,100	489,600
1987	7,659,400	445,100
1986	7,308,000	393,200

	No. of Com. Shares #	Earn. per Share #
1990	65,333,000	$ 8.53
1989	66,027,000	8.01
1988	66,621,000	7.35
1987	72,764,000	6.12
1986	77,041,000	5.10

+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1990	1989
Electronics	$ 5,517,000	$ 5,333,000
Aircraft prods	1,074,000	915,000
Energy services	993,000	870,000
Major appliances	1,041,000	1,070,000
Other	643,000	608,000
Total	$ 9,268,000	$ 8,796,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 2.40	—	—
1989	2.20	—	—
1988	2.00	—	—
1987	1.85	—	—
1986	1.75	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 2,846,500	$ 43.55
1989	2,846,500	36.97
1988	2,121,000	31.96
1987	1,849,100	27.31
1986	1,954,600	26.39

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 9,267,666	$ 8,796,076
Cost of sales	7,391,362	6,996,512
Expenses	1,077,410	1,053,929
Interest expense	114,275	113,432
Interest income	(94,681)	(78,989)
Other income	(57,612)	(46,471)
Income before taxes	$ 836,912	$ 757,663
Income taxes	279,619	228,849
Net Income	$ 557,293	$ 528,814

* Included in Costs and Expenses, Depreciation: $303,503,000 in 1990 and $281,637,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv	$ 137,630	$ 99,250
Accts. receiv., net	782,481	671,481
Contracts in progress	1,578,987	1,386,996
*Inventories	1,015,996	851,961
Prepaid expenses	88,372	94,793
Current Assets	$ 3,603,466	$ 3,104,481
#Fixed assets	1,532,081	1,456,296
Other assets	983,873	777,516
Total Assets	$ 6,119,420	$ 5,338,293

Liabilities
(000's)

	1990	1989
Notes payable & long-term debt, curr	$ 1,425,186	$ 1,183,571
Advance payments	383,657	343,785
Accts. payable	612,147	620,228
Accrued payroll	238,295	219,878
Income taxes	35,150	37,950
Other accruals	451,195	416,635
Curr. Liabilities	$ 3,145,630	$ 2,822,047
Long-term debt	46,366	45,982
Pension liability	80,914	44,118
+Common stock	65,355	65,620
Add. paid-in capital	208,571	200,673
Retained earnings	2,553,113	2,175,817
For. curr. trans. adjust	19,471	(15,964)
Total Liabilities & Shareholders' Equity	$ 6,119,420	$ 5,338,293

* At cost (FIFO or average), but not in excess of net realizable value. Aircraft prods. inventories are stated at lower of cost (LIFO) or market. Work in process stated at total cost incurred reduced by est. costs of units delivered.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.03	8.61
% Net Income to Sales	6.01	6.01
% Net Income to Equity	19.58	21.80
Sales to Inventories	9.12	10.32
Debt to Equity	0.52	0.51
Working Capital	$ 457,836,000	$ 282,434,000
Current Ratio	1.15	1.10
Shareholders' Equity	$ 2,846,500,000	$ 2,426,146,000

Recognition Equipment Incorporated

2701 East Grauwyler Road
Irving, Texas 75061
(214) 579-6000
FAX (214) 579-5844

Mailing address
P.O. Box 660204
Dallas, Texas 75266-0204

Officers: Thomas Hurley, co-chief exec. officer; Robert Vanourek, co-chief executive officer; Robert M. Swartz, v.p., treasurer & chief financial officer; Thomas Hoefert, controller & v.p.

Directors: James F. Gero, Gilbert H. Lamphere, Thomas A. Loose, A. A. Meitz, William H. Waltrip, William C. Hittinger, Thomas Hurley, Robert Vanourek

Areas of Work: Engaged in the design, manufacture, marketing, and service of a variety of information processing systems employing optical character recognition, magnetic ink character recognition, image capturing, high-speed paper handling, ink-jet printing and innovative software/hardware integration technologies. Systems are used for data acquisition, document handling and document truncation in such applications as centralized data entry, high-speed document processing, mail processing and distributed data processing.

Subsidiaries:

Consolidated Computer International, Inc.

Recognition Enterprises, Inc.
Irving, Texas

Recognition Equipment (Canada) Ltd.
Toronto, Canada

Recognition Equipment GmbH
Frankfurt, West Germany

Recognition Equipment Iberica S.A.
Madrid, Spain

Recognition Equipment Finland OY AB
Helsinki, Finland

Recognition Equipment Nederland, B.V.
Amsterdam, Netherlands

Recognition Equipment Norge A/S
Oslo, Norway

Recognition Equipment (Japan) Inc.
Tokyo, Japan

Recognition Pacific Limited
Sydney, Australia

Recognition Equipment (Australia) Pty. Ltd.
Sydney, Australia

Recognition Equipment AB
Stockholm, Sweden

REI-MDS Deutschland GmbH und Co. OHG
Recognition A/S
MDS-Belgium S.A.
MDS-Deutschland GmbH
MDS-France S.A.
MDS-Grundstucksverwaltungsgesellschaft mbH
MDS-Svenska AB

Plexus Computers, Inc.

Mohawk Data Sciences-Canada, Limited (MDS)

Transfer Agent(s):

MTrust Corp. N.A.
P.O. Box 2320
Dallas, Texas 75221-2320

Stock Exchange(s): New York

Ticker Symbol: REC

Number of Employees:

1990	1,515	1987	3,050
1989	2,540	1986	2,950
1988	2,708		

N.A. - Not Available

Sales & Earnings

	Revenues	Net Income ‡
1989	$ 255,874,000	$ (38,803,000)
1988	260,764,000	(15,696,000)
1987	264,658,000	13,814,000
1986	241,795,000	10,539,000
1985	163,147,000	4,316,000

	No. of Com Shares #	Earn. per Share ‡ #
1989	10,256,000	$ —
1988	10,144,000	—
1987	10,398,000	1.33
1986	9,969,000	1.06
1985	9,713,000	0.44

(Loss)
‡ Including extraordinary gains of $114,000 ($0.01 per share) in 1988, $2,600,000 ($0.25 per share) in 1987, $1,555,000 ($0.16 per share) in 1986 and $301,000 ($0.03 per share) in 1985.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 72,558,000	$ 7.07
1988	111,235,000	10.97
1987	133,898,000	12.88
1986	115,882,000	11.62
1985	98,807,000	10.17

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Oct. 31	1989	1988
Revenues		
Product	$ 134,618	$ 130,176
Customer service	121,256	130,588
Total revenues	$ 255,874	$ 260,764
Cost of revenues	183,095	167,975
Research & develop.	6,504	8,503
Selling, general & adm. exp.	81,225	82,333
Restruc. charge	15,876	—
Other expenses	5,363	7,319
Interest income	(6,868)	(6,495)
Interest expense	7,297	7,041
For. exch. losses	507	179
Other expense	140	2,924
Loss before taxes	$ (37,265)	$ (9,015)
Income taxes	1,538	3,217
Net Loss	$ (38,803)	$ (12,232)
Extraord. gain	—	114
Cum. effect of acct. change	—	(3,578)
Net Loss & extraord. gain	$ (38,803)	$ (15,696)

* Included in Costs and Expenses, Depreciation $19,855,000 in 1989 and $22,569,000 in 1988.

Assets
(000's)

As of Oct. 31	1989	1988
Cash & cash equiv.	$ 33,736	$ 41,845
Accts. receiv., net	51,530	70,591
*Inventories	42,254	31,875
Other curr. assets	24,910	4,880
Current Assets	$ 152,430	$ 149,191
#Fixed assets	23,483	25,202
#Systems on lease	4,288	8,104
#Service parts	25,298	34,909
Long-term receiv.	15,594	25,404
Goodwill	11,982	12,521
Other assets	6,495	5,416
Total Assets	$ 239,570	$ 260,747

Liabilities
(000's)

	1989	1988
Short-term debt	$ 21,401	$ 29,071
Accts. payable	14,535	13,383
Income taxes	1,864	3,168
Accrued comp. & benefits	13,740	13,380
Other accruals	42,197	29,640
Curr. Liabilities	$ 93,737	$ 88,642
Long-term debt	61,833	57,607
Other liabilities	11,442	3,263
+ Common stock	2,562	2,557
Add. paid-in capital	93,566	92,808
Retained earnings (deficit)	(24,690)	14,113
Translation adjust.	1,741	2,378
Treasury stock	(621)	(621)
Total Liabilities & Shareholders' Equity	$ 239,570	$ 260,747

* At lower of standard cost or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

Debt to Equity	1.15	0.78
Working Capital	$ 58,693,000	$ 60,549,000
Current Ratio	1.63	1.68
Shareholder's Equity	$ 72,558,000	$ 111,235,000

Reflectone, Inc.

5125 Tampa West Blvd.
Tampa, Florida 33634
(813) 885-7481

Officers: Richard G. Snyder, president & chief exec. officer; Derek R. Alden, v.p.-engineering; Joseph L. Andreani, v.p.-advanced business develop.; Anthony S. Brancato, exec. v.p.-operations; William M. Faust, v.p.-human resources; Edmund W. Livingston, Jr., v.p.-contracts; David Shorrock, exec. v.p.-business development; Frank T. Tobin, Sr., v.p.-program management; Richard W. Welshhans, v.p. & chief financial officer.

Directors: Robert L. Kirk, chairman; Edward W. Bettke, J. M. Fraser, John B. Mowell, Richard G. Snyder, Dale R. States, J. W. N. Yeomans

Areas of Work: The Company's principal line of business is designing and manufacturing full-scale simulators that faithfully emulate in all material respects the design, appearance, function, and operation of airplanes and helicopters. Simulators are used for training military and civilian pilots and crews to fly and otherwise operate an aircraft. They provide a safe and relatively inexpensive alternative to the use of real aircraft for training purposes.

Subsidiary:

Reflectone Training Systems, Inc.
Tampa, Florida

Transfer Agent(s):

Southeast Bank, N.A.
Miami, Florida

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RFTN (NASDAQ)

Sales & Earnings

	Revenues ⩵	Net Income
1990	$ 49,710,000	$ (3,332,000)
1989	41,446,000	(13,549,000)
1988	55,426,000	(3,457,000)
1987	48,025,000	(2,195,000)
1986	49,424,000	305,000

	No. of Com. Shares	Earn. per Share +
1990	2,090,076	$ —
1989	1,585,777	—
1988	1,559,777	—
1987	1,439,463	—

( ) Loss
⩵ Of continuing operations only
+ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990	1989
Training devices		
Non-affiliate	$ 25,492,057	$ 29,460,072
Affiliate	13,762,294	5,118,423
Training systems	10,766,675	13,301,338
Eliminations	(310,658)	(6,434,232)
Total	$ 49,710,368	$ 41,445,601

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 9,258,000 +	$ 4.43
1989	10,138,000 +	6.39
1988	15,407,000	9.88
1987	15,881,000	11.03
1986	17,906,000	—

+ After allowing for preferred stock at par value

Income Account *

Year ended Mar. 31	1990	1989
Revenues		
Non-affiliate	$ 35,948,074	$ 36,327,178
Affiliate	13,762,294	5,118,423
Total revenues	$ 49,710,368	$ 41,445,601
Cost of sales	48,747,736	53,423,052
Expenses	3,504,763	2,425,759
Interest expense	902,855	642,807
Interest income	(87,791)	(311,683)
Gain on sale of assets	—	(768,486)
Other expense (income)	(24,899)	10,390
Loss before taxes	$ (3,332,296)	$ (13,976,238)
Tax credit	—	(427,000)
Net Loss	$ (3,332,296)	$ (13,549,238)

* Included in Costs and Expenses, Depreciation and Amortization $1,781,272 in 1990 and $2,028,801 in 1989

Assets

As of Mar. 31	1990	1989
Cash	$ 16,833	$ 238,017
Temporary investments	955,463	—
Receivables - non-affil	19,441,717	20,673,311
Recelvalbes - affil	2,109,081	674,000
Prepaid expenses	453,817	152,256
Current Assets	$ 22,976,911	$ 21,738,584
⩵Fixed assets	13,658,824	11,034,867
Def. charges & other assets	190,692	427,922
Total Assets	$ 36,826,427	$ 33,201,373

Liabilities

	1990	1989
Note payable	$ —	$ 1,900,100
Long-term debt, curr.	56,553	5,511,219
Accts. payable	7,696,738	7,323,059
Advance billings	2,187,008	4,429,741
Accrued empl. compens.	1,445,650	1,110,976
Other accruals	1,873,504	2,688,866
Current Liabilities	$ 13,259,453	$ 22,963,961
Long-term debt	14,258,728	49,228
+Preferred stock	50,000	50,000
++Common stock	209,008	158,578
Add. paid-in capital	26,391,336	23,989,408
Retained earnings (deficit)	(17,342,098)	(14,009,802)
Total Liabilities & Shareholders' Equity	$ 36,826,427	$ 33,201,373

⩵ Less accumulated depreciation and amortization
+ $1 par value, 8% cumulative convertible
++ $0.10 par value

Statistical Summary

	1990	1989
Debt to Equity	1.54	0.73
Working Capital	$ 9,717,458	—
Current Ratio	1.73	—
Shareholders Equity	$ 9,308,246	$ 10,188,184

Relm Communications

(formerly Regency Electronics, Inc.)

7707 Records Street
Indianapolis, Indiana 46226
(317) 545-4281
FAX (317) 545-2170

Officers: Steven L. Wilkening, president & chief operating officer; Fred Schwecke, v.p.-operations; William P. Atkins, v.p. & treasurer.

Directors: James K. Sommer, Ralph R. Whitney, Jr., Steven L. Wilkening, John E. Fox, Paul E. Reinken, Alfred H. Hunt, III.

Areas of Work: Operates in one segment, the electronics communications industry. The company designs, manufactures and markets electronic communications equipment consisting of voice communications equipment (land mobile two-way radios), and digital data communications equipment (electronic utility load management systems).

Subsidiaries:

Regency Taiwan, Ltd.
P.O. Box 3702
Taipei, Taiwan R.O.C.

M/A-Com Omni Spectra, Inc.
Delaware
Land mobile communications business

Transfer Agent(s):

Merchants National Bank & Trust Co.
1 Merchants Plaza
Indianapolis, Indiana 46255

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RGCY (NASDAQ)

Number of Employees:

1989	300	1986	1,200
1988	1,080	1985	N.A.
1987	1,340		

Plant Footage:

1989	142,000 sq. ft.	1986	379,000
1988	260,000	1985	N.A.
1987	260,000		

N.A. - Not Available

Sales & Earnings

	Net Sales ⩵	Net Income †
1990	$ 23,540,351	$ (3,128,800)
1989	56,156,810	2,108,207
1988	68,371,082	(3,622,377)
1987	74,756,669	1,153,105
1986	91,273,433	(2,753,069)

	No. of Com. Shares	Earn. per Share † ‡
1990	11,024,000	$ —
1989	11,024,000	0.19
1988	10,999,000	—
1987	10,732,000	0.11
1986	10,730,000	—

( ) Loss
⩵ Includes other income
† Including extraordinary gains of $912,000 in 1988 and $848,000 in 1986
‡ Based on the average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990	1989
Voice communicatons equip.	$ 10,448,000	$ 16,391,000
Electronic test equip.	—	30,089,000
Digital data commun. equip.	7,892,000	5,600,000
Electronic components	3,019,000	2,657,000
Other	2,181,000	1,420,000
Total	$ 23,540,000	$ 56,157,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	0.10	—	—
1987	0.20	—	—
1986	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 18,804,014	$ 1.71
1989	21,932,811	1.99
1988	37,877,981	3.44
1987	41,061,817	3.83
1986	42,041,518	3.92

Income Account*

Year ended June 30	1990	1989
Net sales	$ 23,540,351	$ 56,156,810
Cost of sales	19,586,100	42,020,431
Expenses	6,490,884	13,324,151
Discontinued businesses	—	1,340,623
Amort. of goodwill	97,500	51,562
Interest expense	1,174,006	494,310
Other expense	158,931	299,925
Other income	(622,270)	(975,621)
Loss before taxes	$ (3,344,800)	$ (398,571)

Tax credit	(216,000)	(3,312,000)
Minority interest	—	805,222
Net Income (Loss)	$ (3,128,800)	$ 2,108,207

* Included in Costs and Expenses, Depreciation and Amortization: $1,211,983 in 1990 and $2,133,014 in 1989.

Assets

As of June 30	1990	1989
Cash & cash equiv	$ 2,860,265	$ 3,506,882
Accts. receiv., net	3,264,194	4,698,412
*Inventories	9,944,953	10,384,597
Recov. income taxes	1,287,947	2,051,658
Deferred empl. benefits	886,750	801,166
Prepaid expenses	235,677	265,441
Deferred income taxes	593,000	600,000
Current Assets	$ 19,072,786	$ 22,308,156
#Fixed assets	6,265,335	6,653,728
Prop. held for sale	716,316	716,316
Other assets	284,330	89,842
Goodwill	373,750	471,250
Total Assets	$ 26,712,517	$ 30,239,292

Liabilities

Note payable	$ —	$ 260,800
Long-term debt, curr	125,000	100,000
Accts. payable	755,267	753,749
Compensation & payroll taxes	523,053	743,622
Contrib. to VEBA trust	940,819	810,909
Other liabilities	783,323	742,615
Taxes	332,044	230,786
Curr. Liabilities	$ 3,459,506	$ 3,633,481
Long-term debt	3,550,000	3,675,000
Deferred income taxes	899,000	998,000
+Common stock	3,824,264	3,824,264
Add. paid-in capital	476,845	476,845
Retained earnings	14,912,512	18,041,312
Treasury stock	(409,610)	(409,610)
Total Liabilities & Shareholders' Equity	$ 26,712,517	$ 30,239,292

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Net Income to Sales	—	3.75
% Net Income to Equity	—	9.61
Sales to Inventories	2.37	5.41
Debt to Equity	0.20	0.18
Working Capital	$ 15,613,280	$ 18,674,675
Current Ratio	5.51	6.14
Shareholders' Equity	$ 18,804,011	$ 21,932,811

Resdel Industries

3021 S. Shannon St.
Santa Ana, California 92704
(714) 436-2696
FAX: (714) 755-0929

Officers: Bruce G. Rossiter, chairman & chief exec. officer

Directors: Bruce G. Rossiter

Subsidiaries:

Sanbar Telecommunications, Inc.
3021 S. Shannon St.
Santa Ana, California 92704
(714) 755-5555

Develops and manufactures products for the point-to-point microwave markets and the emergent digital data/voice network markets. Manufactures A2 key telephone systems.

Transfer Agent(s):

U.S. Stock Transfer Corporation
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RSDL (NASDAQ)

Number of Employees:

1990	10

Plant Footage:

1990	7,180 sq. ft.	1987	N.A.
1989	28,000	1986	44,000
1988	103,500		

N.A. - Not Available

Research, Incorporated

P.O. Box 24064
Minneapolis, Minnesota 55424
(612) 941-3300
FAX: (612) 941-3628

Corporate offices:
6425 Flying Cloud Drive
Eden Prairie, Minnesota 55344

Officers: A. E. Abramson, chairman of the board; D.G. Brady, v.p.; F.T. Renshaw, v.p.; G.W. Sangster, v.p.; K.C. Wilson, v.p.; C.C. Johnson, v.p.; G.E. Magnuson, secretary.

Directors: A.E. Abramson, chairman; J.R. Anderson, K.G. Anderson, G.E. Magnuson, F.T. Renshaw, C.G. Schiefelbein.

Areas of Work: Designs, manufactures and sells electrical/electronic instruments, and communications and heating devices to a broad range of industrial customers. These include users of process control instrumentation, radiant energy equipment and computer terminals.

Divisions:

Assembly Automation Division
Minneapolis, Minnesota 55424
Designs and builds conveyorized heating systems used in the fabrication and assembly of electronic printed circuits.

Controls Division
Minneapolis, Minnesota 55424
Supplier of control products, systems and services to selected industrial markets.

Radiant Energy Division
Minneapolis, Minnesota 55424
Supplies heating devices and systems for materials testing, stress relief and metal forming in the aerospace industry, for curing of coatings used on industrial and automotive products and for plastic forming and manufacturing.

Transfer Agent(s):

Norwest Bank of Minnesota N.A.
South St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RESR (NASDAQ)

Number of Employees:

1990	180	1987	218
1989	210	1986	243
1988	223		

Plant Footage:

1990	90,000 sq. ft.	1987	90,000
1989	90,000	1986	90,000
1988	90,000		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 16,893,000	$ (805,000)
1989	19,761,000	911,000
1988	15,916,000	794,000
1987	16,060,000	923,000
1986	15,818,000	1,278,000

	No. of Com. Shares	Earn. per Share #
1990	1,148,693	$ —
1989	1,148,693	0.71
1988	1,648,693	0.48
1987	1,648,693	0.56
1986	1,640,133	0.78

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1990	%	1989	%
Process control instruments	$7,166,000	42.4%	$0,437,000	52.8%
Radiant heating devices	9,727,000	57.6%	9,324,000	47.2
Total	$16,893,000	100.0%	$9,761,000	100.0%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.44	—	—
1989	0.44	—	—
1988	0.44	—	—
1987	0.40	—	—
1986	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 6,932,000	$ 6.03
1989	8,243,000	7.18
1988	14,704,000	8.92
1987	14,636,000	8.88
1986	14,282,000	8.71

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 16,893,141	$ 19,761,436
Cost of sales	10,310,847	11,498,258
Expenses:		
Selling	4,379,309	4,556,062
Res. & develop	1,588,229	1,871,785
Gen. & adm.	739,359	645,305
Interest expense (income)	(10,879)	41,462
Inc. (loss) bef. taxes	$ (113,724)	$ 1,148,564
Income taxes (credit)	(40,000)	342,000
Inc. (loss) - cont. oper	$ (73,724)	$ 806,564
Inc. (loss) - discont. oper	(731,675)	104,624
Net Income (Loss)	$ (805,399)	$ 911,188

* Included in Costs and Expenses, Depreciation and Amortization: $295,084 in 1990 and $267,720 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv	$ 1,525,976	$ 243,210
Accts. receiv., net	2,733,308	4,328,341
* Inventories	3,282,249	3,881,208
Prepaid expenses	232,815	35,115
Net assets - discont. oper	820,919	1,828,464
Current Assets	$ 8,595,267	$ 10,316,338

# Fixed assets		1,603,353		1,373,427
Total Assets	$	10,198,620	$	11,689,765

Liabilities

Accts. payable	$	1,087,933	$	1,489,594
Short-term loans		—		300,000
Accruals:				
Payroll		447,116,		667,996
Profit sharing		212,000		216,000
Real estate taxes		218,000		187,500
Other		450,279		353,242
Income taxes		850,820		232,137
Curr. Liabilities	$	3,266,148	$	3,466,469
+ Common stock		574,346		574,346
Add. paid-in capital		200,305		200,305
Retained earnings		6,157,821		7,468,645
Total Liabilities & Shareholders' Equity	$	10,198,620	$	11,689,765

• At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

% Net Income to Equity		—		11.05
Sales to Inventories		5.15		5.09
Debt to Equity		—		0.04
Working Capital	$	5,329,119	$	6,849,869
Current Ratio		2.63		2.98
Shareholders' Equity	$	6,932,472	$	8,243,296

Ripley Company, Inc.

(A private company.)

46 Nooks Hill Road
P.O. Box E
Cromwell, Connecticut 06416
(203) 635-2200
FAX: (203) 635-3631

Officers: Dale E. Wolfe, chairman of the board, president & chief executive officer; Robert J. Glass, treasurer & chief financial officer; S. Michael Schatz, secretary; Alvah A. Russell, Jr., v.p.

Directors: Dale E. Wolfe, Douglas Kellogg, James E. Griffin, Richard T. Gibbons, Arhtur W. Frank, Jr., Sebastian DiStefano, H.I. Thayer, Jr.

Areas of Work: Specializes in the manufacture of cable preparation tools, blowers, and specialized assembly systems for users of small screws.

Subsidiary:

Stick-Screw Manufacturing Co.
Willimantic, Connecticut
Manufactures proprietary, semi-automatic small part fastening and assembly systems.

Transfer Agent(s):

Mellon Securities Transfer Services
East Hartford, Connecticut

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RIPY (NASDAQ)

Plant Footage:

1989	47,000 sq. ft.	1987	47,000
1988	47,000	1986	47,000

Sales & Earnings

		Net Sales		Net Income
1990	$	5,734,264	$	(529,194)
1989		6,698,228		47,635
1988		6,242,313		357,946
1987		5,128,296		205,630
1986		5,703,015		402,486

	No. of Com. Shares ‡		Earn. per Share ‡
1990	591,219	$	—
1989	592,642		0.08
1988	589,219		0.61
1987	598,000		0.34
1986	591,406		0.68

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

		1990		1989
Electronics & electrical products	$	2,914,976	$	3,870,975
Tooling & assembly syst.		2,819,288		2,827,253
Total	$	5,734,264	$	6,698,228

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1990	$	0.10	—	—
1989		0.20	—	—
1988		0.20	—	—
1987		0.20	—	—
1986		0.20	—	—

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	2,676,800	$	4.53
1989		3,265,116		5.51
1988		3,326,594		5.65
1987		3,081,567		5.15
1986		2,988,708		5.05

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Feb. 28		1990		1989
Net sales	$	5,734,264	$	6,698,228
Cost of sales		4,629,391		4,707,551
Expenses		1,851,279		1,780,800
Interest income		(8,362)		(15,257)
Interest expense		46,150		52,499
Inc. (loss) bef. taxes	$	(784,194)	$	172,635
Income taxes (credit)		(255,000)		125,000
Net Income (Loss)	$	(529,194)	$	47,635

* Included in Costs and Expenses, Depreciation & Amortization: $160,335 in 1990 and $143,929 in 1988.

Assets

As of Feb. 28		1990		1989
Cash	$	16,185	$	77,721
Accts. recvs. net		708,006		964,057
*Inventories		1,616,209		2,149,227
Prepaid expenses & deferred charges		22,685		36,697
Current Assets	$	2,641,665	$	3,240,504
#Fixed assets		1,294,775		1,227,409
Other assets		357,227		315,402
Total Assets	$	4,293,667	$	4,783,315

Liabilities

Short-term borrowings	$	335,000	$	—
Notes payable		222,719		184,753
Accts. payable		513,406		562,724
Accruals		251,704		336,897
Curr. Liabilities	$	1,322,829	$	1,084,374
Notes payable		—		175,000
Cap. lease oblig.		—		47,719
Deferred inc. taxes		136,461		136,461
Unfunded pension liability		157,577		74,645
+Common stock		297,975		297,975
Add. paid-in capital		407,129		407,129
Retained earnings		2,019,006		2,607,322
Treasury stock		(47,310)		(47,310)
Total Liabilities & Shareholders' Equity	$	4,293,667	$	4,783,315

• At lower cost (LIFO) or market.
Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Sales		—		2.58
% Net Income to Sales		—		0.71
% Net Income to Equity		—		1.46
Sales to Inventories		3.55		3.12
Debt to Equity		0.21		0.12
Working Capital	$	1,318,836	$	2,156,130
Current Ratio		2.00		2.99
Shareholders' Equity	$	2,676,800	$	3,265,116

RMS International, Inc.

41-51 Hartz Way
Secaucus, New Jersey 07094
(201) 601-9191
FAX: (201) 601-0011

Officers: Joseph F. Bradway, Jr., chairman of the board & chief executive officer; Gary M. Napolitano, v.p.-finance; Fred Mucciardi, v.p.-operations.

Directors: Joseph F. Bradway, Jr., chairman; William A. Searles, Charles T. Conner.

Areas of Work: A distributor of passive radio-frequency electronic devices for the cable television industry (CATV), a manufacturer of standby power supplies and through its recent acquisition, sells through direct marketing clear plastic literature displays.

Subsidiaries:

Poleline Corporation
Distribution operation that supplies construction materials to the cable television industry.

Kenyon Magnetics, Inc.
Manufactures transformers and other allied products.

Color Optic Displays, Inc.
Markets clear plastic literature displays.

Acquisition:

American Fiber Optics, Inc.
Florida
Engaged in the design and installation of fiber optic cable systems.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: RMS

Sales & Earnings

		Net Sales		Net Income
1990	$	11,125,299	$	57,055
1989		12,551,979		(1,275,970)
1988		11,770,265		118,226
1987		12,830,132		74,885
1986		12,367,192		(803,435)

	No. of Com. Shares ‡		Earn. per Share ‡
1990	1,558,345	$	0.04
1989	1,558,345		—
1988	1,558,345		0.08
1987	1,558,345		0.05
1986	1,558,345		—

(Loss)

‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

		1990		1989
CATV	$	7,057,496	$	9,227,129
Displays		4,067,803		3,324,850
Total	$	11,125,299	$	12,551,979

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	2,183,583	$	1.40
1989		2,126,528		1.36
1988		3,402,498		2.18
1987		3,284,272		2.11
1986		3,209,387		2.06

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31		1990		1989
Net sales	$	11,125,299	$	12,551,979
Cost of sales		6,724,967		9,232,687
Expenses		4,140,352		4,247,438
Interest expense		208,263		378,320
Gain on sale of fixed assets		—		(10,350)
Interest & other income		(5,338)		(20,146)
Net Income (Loss)	$	57,055	$	(1,275,970)

* Included in Costs and Expenses, Depreciation: $93,531 in 1990 and $134,633 in 1989.

Assets

As of Dec. 31		1990		1989
Cash & cash equiv.	$	62,765	$	—
Accts. & notes receiv., net		976,170		1,371,976
*Inventories		1,752,431		1,351,428
Prepaid exp. & other curr. assets		89,774		122,881
Current Assets	$	2,881,140	$	2,846,285
# Fixed assets		175,557		234,971
Goodwill		47,463		53,763
Non-competition agree.		262,500		352,500
Intangibles		175,354		210,395
Other assets		61,704		56,320
Total Assets	$	3,603,718	$	3,754,234

Liabilities

Notes payable - bank	$	447,140	$	176,892
Bank overdraft		114,881		120,344
Long-term debt, curr.		333,000		769,000
Accts. payable		329,166		420,062
Accruals		135,948		83,750
Curr. Liabilities	$	1,360,135	$	1,570,048
Other liabilities		60,000		57,658
+Common stock		130,745		130,745
Add. paid-in capital		4,531,153		4,531,153
Retained earn. (deficit)		(2,091,897)		(2,148,952)
Treasury stock		(386,418)		(386,418)
Total Liabilities & Shareholders' Equity	$	3,603,718	$	3,754,234

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $0.08 par value.

Statistical Summary

% Net Income to Sales		0.51		—
% Net Income to Equity		2.61		—
Sales to Inventories		6.35		9.29
Debt to Equity		0.41		0.50
Working Capital	$	1,521,005	$	1,276,237
Current Ratio		2.12		1.81
Shareholders' Equity	$	2,183,583	$	2,126,528

Rockwell International Corporation

625 Liberty Avenue
Pittsburgh, Pennsylvania 15222
(412) 565-2000
FAX: (412) 565-7388

2230 East Imperial Highway
El Segundo, California 90245
(213) 647-5000

Officers: Donald R. Beall, chairman of the board & chief executive officer; Kent M. Black, exec. v.p. & chief operating officer; Robert L. Cattoi, sr. v.p.-research and engineering; Lee H. Cramer, v.p. & treasurer; Robert A. dePalma, sr. v.p.-finance & planning & chief financial officer; Charles H. Harff, sr. v.p., gen. counsel & secretary; James A. McDivitt, sr. v.p.-government relations; Richard W. Bohlen, sr. v.p.-operations; Sam F. Iacobellis, exec. v.p. & chief operating officer; George W. Jeffs, v.p. & president-strategic defense & technology; Lawrence J. Komatz, v.p. & controller; Robert H. Murphy, sr. v.p.-organization & human resources; Arthur P. Ronan, v.p. & president-Automotive; Charles C. Stoops, Jr., general tax counsel; William A. Sante, II, general auditor; Richard R. Mau, sr. v.p.-communications; William M. Barnes, v.p.-business development & planning.

Directors: Donald R. Beall, chairman; Robert Anderson, Richard M. Bressler, Bruce M. Rockwell, Robert A. dePalma, Robin Chandler Duke, J. Clayburn La Force, Jr., Ross D. Siragusa, Jr., William S. Sneath, Joseph F. Toot, Jr., Harrington Drake, John J. Creedon, William T. McCormick, Jr., John D. Nichols.

Areas of Work: The Company is a multi-industry corporation engaged in research and development, and the manufacture and sale of many products for commercial and government markets. The Company is organized into four business segments: Aerospace, Electronics, Automotive and Graphics.

Business Segments and Subsidiaries:

Aerospace

The principal space activity is the Space shuttle program for NASA. The Company has developed and is producing the shuttle orbiter and, through its Rocketdyne Division, the orbiter main engines. It also assists NASA in the integration of the overall space transportation system. The Rocketdyne Division works under a United States Air Force contract for the engineering development of the Peacekeeper missile; develops and manufactures large liquid rocket engines for space and military applications and small rocket engines for altitude and reentry control.

The Company also engages in various research and development activities, such as those related to advanced space-based surveillance systems and directed energy weapons, and technology development and systems analysis efforts, such as those relating to advanced military aircraft.

North American Space Operations
2230 East Imperial Highway
El Segundo, California 90245
(213) 647-5000

North American Aircraft Operations
100 N. Sepulveda Boulevard
El Segundo, California 90245
(213) 647-1000

Electronics

This division manufactures high technology electronic equipment and systems for military navigation, command, control, communications and intelligence, missile systems and other special applications for the United States and foreign governments; also manufactures a broad spectrum of radio transceivers for various military applications that range from very low frequency to extremely high frequency. These products are combined with other ancillary items to form integrated command, control, communications and intelligence systems.

The division is the principal supplier of the inertial navigation systems for the Navy's ballistic missile and attack submarine fleets, supplies component and services related to the guidance and control systems of the Minuteman intercontinental ballastic missile fleet and works under contracts for both ground and airborne high frequency communication equipment for the modernization programs for the United States and NATO forces.

In commercial electronics, the Company supplies avionics, telecommunications and semiconductor products and systems to commercial and government customers worldwide. Avionics supplies communications, navigation, flight control, and other avionics systems to the air transport, general aviation and government markets. Telecommunication products include transmission and switching systems and telephone products which are supplied to a broad range of customers.

Allen-Bradley Company
Milwaukee, Wisconsin

Produces programmable controllers, standard control products, computer numerical control systems, drives and passive electronic components.

Electronics Corporation of America
Waltham, Massachusetts

Manufactures photoelectric controls and flame monitoring systems.

Design Engineering Laboratories
Huntington Beach, California

Defense electronics.

Graphics

The Graphic Systems Division manufactures and sells high-speed printing presses and related equipment and principally for printing newspapers. Products include the Metroliner press designed for large metropolitan daily newspapers and the HV, Urbanite and community presses designed for medium size daily and weekly newspapers and commercial printers. The division also manufactures and sells automatic mailroom equipment and purchases for resale a line of commercial sheetfed presses and related equipment.

Rockwell Graphic Systems, Inc.
Obertshausen, West Germany

Rockwell Graphic Systems Limited
Preston, United Kingdom

Automotive

Automotive businesses' principal activity is the manufacture and sale of various proprietary components for heavy-duty vehicles used on and off the highway. Automotive designs and manufactures a broad line of axles for heavy-duty applications for on- and off-highway vehicles, including single and tandem drive axles, driving and non-driving front axles, trailer axles, rigid and steering planetary axles and driving steering axles. The businesses design and manufacture a complete line of heavy-duty brakes and brake assemblies and components for use in the transportation, construction, mining, agriculture, forestry and industrial fields. The businesses also manufacture and sell special drives and transmissions, universal joints and drivelines, gear boxes, springs and plastic hood, door and fender assemblies for these vehicles.

The Automotive businesses also manufacture and sell springs and plastic components and accessories for light trucks and passenger cars, and steel and case aluminum wheels, wheel covers, sun roofs, window regulators, door latches and door locking systems for passenger cars. In addition, the businesses manufacture and sell large steel castings, including those used in military cast armor programs and diesel locomotives.

The Company's automotive products are nearly all sold directly to manufacturers of original equipment, some of which are also competitors in that they produce for their own use many of the products manufactured by the Automotive businesses.

Automotive Businesses
2135 West Maple Road
Troy, Michigan 48084
(313) 435-1000

Rockwell Standard of Australia Ltd
Melbourne, Australia

Wilmot Breeden (Australia) Pty Ltd
Preston, Australia

Rockwell do Brasil Industria e Commercio Ltda.
Limeira, Brazil

Rockwell International of Canada, Ltd.
Bracebridge, Chatham, Gananoque, Lacolle, Milton, Mississaugua, Tilbury, Canada

Compagnie Industrielle de Mecanismes S A
Levallois, Perret Cedex, France

Rockwell International S A
Rungis Cedex, France

Rockwell Golde GmbH
Frankfurt, West Germany

Rockwell Bremsen
Geschaftsbereich der Rockwell-Gold GmbH
Alyeneau/Unterfranken, West Germany

Rockwell Golde Italiana SpA
Como, Italy

Rockwell International Manufacturing Pte Ltd
Singapore

Rockwell-Maudslay Limited
Alcester, United Kingdom

Wilmot Breeden Limited
Birmingham, United Kingdom

Rockwell Thompson Limited
Wolverhampton, United Kingdom

Rockwell CVC S.p.A
San Mauro Torinese, Italy

Rockwell CVC S.p.A
Cameri, Italy

Communication Machinery Corporation
Supplies local area networks.

SOMA Europe Transmissions S.A
France
Supplies components for axles and transmissions for off-highway construction vehicles.

Transfer Agent(s):

Mellon Bank, N.A
P.O. Box 444
Pittsburgh, Pennsylvania 15230
(common stock, $4.75 convertible preferred, Series A; $1.35 convertible preferred, Series B)

120 Broadway
33rd floor
New York, New York 10271

Stock Exchange(s): New York, Boston, Midwest, Pacific, Philadelphia, Toronto, Basel, Geneva, Lausanne, Zurich, Frankfurt, London, Tokyo.

Ticker Symbol: ROK (U.S. exchanges)

Number of Employees:

1990	101,923	1987	116,148
1989	108,700	1986	121,194
1988	112,160		

N.A. - Not Available

Sales & Earnings

	Net Sales † (000's)	Net Income (000's)
1990	$ 12,378,700	$ 624,300
1989	12,518,100	734,900
1988	11,946,300	811,900
1987	12,123,400	635,100
1986	12,295,700	611,200

	No. of Com. Shares ≠	Earn. per Share ≠
1990	244,100,000	$ 2.56
1989	255,600,000	2.87
1988	266,600,000	3.04
1987	280,000,000	2.27
1986	296,500,000	2.06

† Of continuing operations only.
≠ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Electronics	$ 5,003,000	$ 4,914,000
Aerospace	3,781,000	3,909,000
Automotive	2,560,000	2,424,000
Graphics	1,035,000	1,110,000
Divested businesses	—	161,000
Total	$ 12,379,000	$ 12,518,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.800	—	—
1989	0.750	—	—
1988	0.705	—	—
1987	0.645	—	2-for-1
1986	0.580	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share †
1990	$ 3,968,000	$ 17.49
1989	3,968,200	15.88
1988	3,682,300	14.10
1987	3,302,700	12.01
1986	3,148,600	10.94

‡ After following for Series A and Series B preferred stock at total liquidation value.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1990	1989
Net sales	$ 12,378,700	$ 12,518,100
Gain on sale of businesses	20,000	164,300
Other income	63,800	115,000
Total income	$ 12,462,500	$ 12,797,400
Cost of sales	9,817,100	9,986,200
Expenses	1,449,100	1,472,800
Interest expense	144,300	132,700
Income before taxes	$ 1,052,000	$ 1,205,700
Income taxes	427,700	470,800
Net Income	$ 624,300	$ 734,900

* Included in Costs and Expenses, Depreciation $500,300,000 in 1990 and $496,500,000 in 1989.

Assets
(000's)

As of Sept. 30	1990	1989
Cash	$ 411,200	$ 332,400
Accts. & notes receiv., net	2,425,700	2,137,200
*Inventories	1,619,600	1,574,100
Other curr. assets	318,800	323,100
Current Assets	$ 4,775,300	$ 4,366,800
≠Fixed assets	2,668,200	2,594,200
Intangibles	1,171,800	1,094,600
Other assets	1,122,800	883,200
Total Assets	$ 9,738,100	$ 8,938,800

Liabilities
(000's)

	1990	1989
Short-term debt	$ 802,700	$ 769,500
Accts. payable	1,146,500	1,069,300
Adv. pay. from cust.	532,000	393,700
Accrued compensation	527,500	489,900
Income taxes	141,600	113,200
Other curr. liab.	693,100	646,600
Curr. Liabilities	$ 3,843,400	$ 3,482,200
Long-term debt	552,900	552,100
Other liabilities	1,155,900	926,900
+Preferred stock	1,900	2,100
++Common stock	209,500	209,500
++Class A Common stock	61,100	69,900
Add. paid-in capital	123,800	108,600
Retained earnings	4,460,200	4,237,100
For. curr. trans.	39,800	(15,900)
Treasury stock	(710,400)	(633,700)
Total Liabilities & Shareholders' Equity	$ 9,738,100	$ 8,938,800

* At lower of cost (LIFO, FIFO or average) or market.
≠ Less accumulated depreciation and amortization.
+ No par value. Series A, $4.75 cumulative; series B, $1.35 cumulative.
++ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	8.50	9.63
% Net Income to Sales	5.04	5.87
% Net Income to Equity	14.91	18.48
Sales to Inventories	7.64	7.95
Debt to Equity	0.32	0.33
Working Capital	$ 931,900,000	$ 884,600,000
Current Ratio	1.24	1.25
Shareholders' Equity	$ 4,185,900,000	$ 3,977,600,000

Rogers Corporation

One Technology Drive
Rogers, Connecticut 06263
(203) 774-9605
FAX (203) 774-9630

Officers: Norman L. Greenman, president & chief exec. officer; Harry H. Birkenruth, exec. v.p.; Richard C. Berry, sr. v.p.-technology; Aarno A. Hassell, v.p.-electronic materials group; William Schoppenhorst, v.p.-human resources; Stuart J. Safft, sr. v.p.-finance; Robert M. Soffer, treasurer; David M. Elwood, clerk; Robert D. Wachob, v.p.-sales & marketing; Michael L. Pierce, v.p.-circuit interconnections group.

Directors: Harry H. Birkenruth, Wallace Barnes, Norman L. Greenman, Charles F. Spiro, Brage Golding, Leonid V. Azaroff, William R. Thurston, Mildred S. Dresselhaus, D. Bruce Merrifield, Donald J. Harper.

Areas of Work: The Company's operations consist of two segments: Interconnection Products, which are primarily interconnection circuits and components, and microwave and circuit materials; and Polymer Products, including primarily molding materials, elastomeric products, polyurethane materials and components.

Rogers Corporation

Divisions:

Molding Materials Division
Mill and Oakland Streets
Manchester, Connecticut 06040
(203) 646-5500
FAX: (203) 643-5162

Manufactures fiber reinforced thermosetting molding materials including phenolic, diallyl phthalate engineering plastics.

Composite Materials Division
One Technology Drive
Rogers, Connecticut 06263
(203) 774-9605

Manufactures Bend/flex formable laminate.

Poron/Composites Division-Poron Plant
P.O. Box 158
E. Woodstock, Connecticut 06244
(203) 928-7931

Manufactures Poron polyurethane-based microcellular materials.

Willimantic Division
730 Windham Road
South Windham, Connecticut 06226
(203) 423-6323

Manufactures Nitrophyl carburetor and fuel tank floats, Endur engineered parts and assemblies.

Power Distribution Division- Interconnection Products Group
5750 East McKellips Road
Mesa, Arizona 85205
(602) 830-3370

Manufactures Mektron laminar power distribution bus bars; Quik/Bus conductors, and Strip/Bus bus strips.

Circuit Components Division - Interconnection Products Group
Tempe, Arizona
(602) 967-0624

Manufactures components mounted on printed circuit boards.

Flexible Interconnections Division
2001 West Chandler Blvd.
Chandler, Arizona 85224
(602) 963-4684

Manufactures flexible circuits.

Microwave & Circuit Materials Div.-Interconnection Products Group
Dobson and Williamsfield Road
Chandler, Arizona 85224
(602) 963-4584

Manufactures R/flex materials for flexible circuit substrates and integrated circuit bonding tape carrier materials, as well as RT/duroid laminate materials for microwave circuits.

Soladyne Division
7447 Conroy Court
San Diego, California 92111
(619) 279-7872

Manufactures microwave stripline and microstrip circuits and bonded assemblies.

Subsidiaries:

Rogers Foreign Sales Corporation (FSC)
Rogers, Connecticut 06263
(203) 774-9605

Rogers Mexicana, S.A. de C.V.
Agua Prieta, Mexico

Rogers Electronica, S.A. de C.V.
Monterrey, Mexico

Rogers Japan Inc.
Tokyo, Japan

Mektron, N.V.
188 Afrikalaan
Ghent, Belgium

Mektron GmbH
Weiterstadt, Germany

Mektron France S.A.
Rungis, France

Mektron Circuits Systems, Ltd.
Leatherhead, United Kingdom

Joint Ventures:

Durel Corporation
Tempe, Arizona

Manufactures Durel electroluminescent lamps.

Rogers Inoac Corporation
Nagoya, Japan

Manufactures Endur-C products and Poron cellular polyurethane materials.

Smartflex Systems
Tustin, California
Monterrey, Mexico; Singapore

Produces smartflex assemblies.

Rogers Coselbra Industrial Ltda.
Sao Paulo, Brazil

Produces Q/PAC power distribution elements, Mini/Bus printed circuit bus bars, and Micro/Q decoupling capacitors, microwave stripline circuits and keyboards.

Transfer Agent(s):

Fleet National Bank
Stock Transfer Department
125 Dupont Drive
Providence, Rhode Island 02907

Stock Exchange(s): American, Pacific

Ticker Symbol: ROG

Number of Employees:

1990	3,213	1987	2,738
1989	3,152	1986	2,515
1988	3,089		

Plant Footage:

1990	1,490,500 sq. ft.	1987	1,363,100
1989	1,445,000	1986	1,283,100
1988	1,441,000		

Sales & Earnings

	Net Sales #	Net Income
1990	$ 190,319,000	$ (2,447,000)
1989	174,948,000	1,607,000
1988	162,476,000	1,015,000
1987*	145,314,000	3,377,000
1986	128,777,000	2,327,000

	No. of Com. Shares	Earn. per Share †
1990	3,075,288	$ —
1989	3,063,219	0.53
1988	3,000,097	0.33
1987*	2,981,397	1.13
1986	2,969,071	0.78

* 53 weeks.
# Of continuing operations only.
† Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Interconnection prods.	$ 136,322,000	$ 116,883,000
Polymer prods.	53,997,000	58,065,000
Total	$ 190,319,000	$ 174,948,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.12	—	—
1989	0.12	—	—
1988	0.12	—	—
1987	0.12	—	—
1986	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 54,859,000	$ 17.84
1989	55,763,000	18.20
1988	53,132,000	17.71
1987	53,308,000	17.88
1986	47,831,000	16.11

Income Account *

Year ended	12/30/90	12/31/89
Net sales	$ 190,319,000	$ 174,948,000
Cost of sales	150,567,000	137,299,000
Expenses	35,071,000	32,649,000
Nonrecurr. cost reduc. charge	7,075,000	—
Other income	(1,864,000)	(739,000)
Interest expense	3,102,000	3,507,000
Inc. (loss) bef. taxes	$ (3,632,000)	$ 2,232,000
Income taxes (credit)	(1,185,000)	625,000
Net Income (Loss)	$ (2,447,000)	$ 1,607,000

* Included in Costs and Expenses, Depreciation and Amortization: $11,184,000 in 1990 and $10,604,000 in 1989.

Assets

As of	12/30/90	12/31/89
Cash & cash equiv.	$ 4,389,000	$ 5,431,000
Accts. receiv., net	28,184,000	29,047,000
Accts. receiv. joint ventures	3,109,000	2,440,000
*Inventories	19,150,000	20,601,000
Income taxes	2,087,000	627,000
Prepaid expenses	689,000	680,000
Current Assets	$ 57,608,000	$ 58,826,000
#Fixed assets	65,645,000	62,381,000
Investments	2,824,000	1,758,000
Intangible pension asset	1,058,000	1,091,000
Other assets	2,337,000	2,625,000
Total Assets	$ 129,472,000	$ 126,681,000

Liabilities

Notes payable	$ 6,460,000	$ 6,286,000
Long-term debt, curr.	5,161,000	2,592,000
Accts. payable	11,909,000	14,119,000
Accrued benefits & comp.	7,340,000	6,507,000
Accrued cost reduc. charge	2,621,000	—
Accrued interest	988,000	1,076,000
Other accruals	1,350,000	691,000
Other taxes	1,465,000	1,298,000
Curr. Liabilities	$ 37,294,000	$ 32,569,000
Long-term debt	27,526,000	30,647,000
Deferred inc. taxes	6,691,000	7,001,000
Pension liability	3,102,000	701,000
+Common stock	3,075,000	3,063,000
Add. paid-in capital	19,641,000	19,403,000
Retained earnings	29,604,000	32,419,000
Equity trans. adjust.	2,539,000	878,000
Total Liabilities & Shareholders' Equity	$ 129,472,000	$ 126,681,000

* At lower of cost (standard costs which approx. actual cost) or market. Polymer Products divisions are valued at lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to sales	—	1.28
% Net Income to Sales	—	0.92
% Net Income to Equity	—	2.88
Sales to Inventories	9.94	8.49
Debt to Equity	0.71	0.71
Working Capital	$ 20,314,000	$ 26,257,000
Current Ratio	1.54	1.81
Shareholders' Equity	$ 54,859,000	$ 55,763,000

Rohr Industries, Inc.

Foot of H Street
P.O. Box 878
Chula Vista, California 92012-0878
(619) 691-4111
FAX: (619) 691-3030

Officers: Robert H. Goldsmith, chairman & chief executive officer; David J. Ruggles, sr. v.p. & chief financial officer; Richard W. Madsen, v.p., general counsel & secretary; William Billingslea, Jr., corp. counsel & asst. secretary; Ronald M. Miller, v.p. & treasurer; Nicholas A. Bucur, v.p.-customer support; Robert G. Daly, v.p.-operations; John R. Johnson, v.p.-government business; Alek A. Mikolajczak, v.p.-technology & new business; Jack Y. Peckenpaugh, v.p.-materiel; Donald M. Purdy, v.p.-commercial business; David L. Canedo, v.p.-quality & product assurance; Alvin L. Majors, v.p. & controller; R.W. Difley, v.p.-human resources; Jean-Pierre Rouziere, president & dir. gen.-Rohr France S.A.; Graydon A. Wetzler, v.p.-management information systems; David R. Watson, v.p. & gen. mgr., Rohr Riverside; Keith Gentry, v.p.-commercial assembly operations; E. Patrick Burke, v.p.-systems management; James A. Goings, v.p.-manufacturing-Chula Vista; Richard J. Warters, v.p.-product engineering; Elaine K. Mills, mgr.-corp. stock records & asst. secretary.

Directors: Robert H. Goldsmith, chairman; Wallace W. Booth, K. Robert Hahn, Wayne M. Hoffman, Harry W. Todd, Jack D. Steele, Eugene E. Covert, James J. Kerley, Wallace Barnes.

Areas of Work: The Company is an aerospace systems designer and manufacturer, producing components for commercial, military, and business aircraft and for solid rockets. Principal products include engineering services; engine nacelles, which are the pods that surround an aircraft's engines; thrust reversers, which are part of the nacelle system and assist in the deceleration of jet aircraft after landing; noise suppression systems; non-rotating engine components; solid rocket motor casings and nozzles and insulated booster casings for space launch vehicles.

Subsidiaries:

Rohr Aero Services, Inc.
Fairhope, Alabama
Repair and modification of commercial and business jet nacelles and thrust reversers.

Rohr Europe
Toulouse, France
Final assembly of engine subsystems and nacelles for European-owned aircraft.

Rohr International Sales Corp.
Sales support for spare parts outside the U.S.

Rohr Credit Corp.
Finance subsidiary.

Transfer Agent(s):

The First Chicago Trust Co. of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Pacific, London

Ticker Symbol: RHR (New York and Pacific)

Number of Employees:

1990	12,000	1987	10,300
1989	12,400	1986	8,400
1988	11,000		

Plant Footage:

1990	5,163,000 sq. ft.	1987	4,789,000
1989	5,702,000	1986	4,300,000
1988	5,614,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,078,712,000	$ 39,000
1989	1,044,677,000	33,480,000
1988	907,052,000	32,473,000
1987	665,870,000	26,899,000
1986	626,711,000	47,318,000

	No. of Com. Shares #	Earn. per Share ‡
1990	17,664,904	$ —
1989	17,670,664	1.90
1988	17,561,775	1.85
1987	17,694,898	1.51
1986	17,533,686	2.70

Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 413,713,000	$ 23.42
1989	412,387,000	23.34
1988	374,689,000	21.34
1987	345,768,000	19.54
1986	312,731,000	17.84

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended July 31	1990	1989
Net sales	$ 1,078,712	$ 1,044,677
Cost of sales	937,202	860,456
Expenses	46,576	48,395
Taxes	36,289	35,946
Depreciation & amortization	27,040	24,836
Interest expense	53,788	31,960
Interest income	(13,182)	(2,996)
Inc. (loss) bef. taxes	$ (9,001)	$ 46,080
Income taxes (credit)	(9,040)	12,600
Net Income	$ 39	$ 33,480

Assets
(000's)

As of July 31	1990	1989
Cash & short-term invest.	$ 25,518	$ 51,477
Accts. receiv., net	154,356	174,271
*Inventories	787,845	632,816
Prepaid expenses	14,623	13,832
Current Assets	$ 982,342	$ 872,396
#Fixed assets	234,166	204,911
Investment in leases	72,460	81,378
Other assets	31,058	6,004
Total Assets	$ 1,320,026	$ 1,164,689

Liabilities
(000's)

Short-term debt	$ 60,000	$ 60,000
Long-term oblig., curr.	7,325	5,690
Accts. payable	181,728	159,391
Accrued payroll	60,924	50,877
Income taxes	36,000	46,639
Curr. Liabilities	$ 345,977	$ 322,597
Deferred inc. taxes	61,205	60,278
Long-term debt	234,131	104,427
Subord. deben.	265,000	265,000
+Common stock	17,665	17,671
Add. paid-in capital	98,248	96,955
Retained earnings	297,800	297,761
Total Liabilities & Shareholders' Equity	$ 1,320,026	$ 1,164,689

* At lower of cost (average) or estimated realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income Bef. Taxes to Sales	—	4.41
% Net Income to Sales	—	3.20
% Net Income to Equity	0.01	8.12
Sales to Inventories	1.37	1.65
Debt to Equity	1.37	1.06
Working Capital	$ 636,365,000	$ 549,799,000
Current Ratio	2.84	2.70
Shareholders' Equity	$ 413,713,000	$ 412,387,000

Rospatch Corporation

4301 Canal S.W.
Grandville, Michigan 49418
(616) 530-6300
FAX: (616) 530-3044

Mailing address:
P.O. Box 2738
Grand Rapids, Michigan 49501

Officers: Joseph J. Miglore, president, chief exec. officer & secretary; David E. Hoger, exec. v.p. & chief operating officer; David N. Kraker, treasurer.

Directors: Jones Y. Pharr, Jr., chairman; J. Grant Beadle, Earl W. Powell, William L. Rogers, Paul K. Gaston, Edwin Wachtel, Keith W. VanderHyde.

Areas of Work: The Company's wood products group manufactures ready-to-assemble furniture and stereo speaker cabinets for wholesale and consumer markets and applies wood-grain and opaque finishes to particleboard and hardboard used as alternatives to traditional wood & wood veneer products by manufacturers of television sets, stereo cabinets, office partitions & kitchen cabinets.

Subsidiaries:

Wood Products Group

Rospatch Jessco, Inc.
Dowagiac, Michigan

Tiffin Enterprise, Inc.
Tiffin, Ohio

Metatron, Ltd. (49% interest)
Tel Aviv, Israel

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RPCH (NASDAQ)

*Electronics-related only

Rospatch Corporation

Sales & Earnings

	Net Sales *	Net Income #
1990	$ 68,920,700	$ 3,425,100
1989	70,344,600	(15,619,600)
1988	66,388,000	3,341,000
1987	61,249,000	1,493,000
1986	52,144,000	(1,208,000)

	No. of Com. Shares ‡	Earn. per Share #‡
1990	2,526,900	$ 1.36
1989	2,525,300	—
1988	2,519,100	1.33
1987	2,487,100	0.60
1986	1,963,996	—

(Loss)
* Of continuing operations only.
# Including extraordinary gain of $1,760,800 ($0.70 per share) in 1990.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	0.15	—	—
1986	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 34,725,500	$ 13.74
1989	31,300,400	12.39
1988	46,851,000	18.57
1987	43,014,000	17.34
1986	40,855,000	16.86

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 68,920,700	$ 70,344,600
Cost of sales	55,131,800	57,079,300
Expenses	11,428,000	10,615,000
Shareholder litigation	1,952,400	—
Interest expense	435,800	769,000
Interest income	(730,300)	(106,800)
Gain on sale of fixed assets	(3,266,500)	—
Other income	(160,900)	(7,600)
Income before taxes	$ 4,130,400	$ 1,995,700
Income taxes	2,416,100	740,600
Inc.-cont. oper.	$ 1,714,300	$ 1,255,100
Loss-discont. oper.	(50,000)	(16,874,700)
Net Income (Loss)	$ 1,664,300	$ (15,619,600)
Extraord. gain	1,760,800	—
Net Income (Loss) & extraord. gain	$ 3,425,100	$ (15,619,600)

* Included in Costs and Expenses, Depreciation: $1,927,600 in 1990 and $1,574,300 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 5,097,900	$ 501,500
Restric. comm. paper	—	7,000,000
Accts. recev., net	10,547,400	13,300,100
*Inventories	10,443,400	8,862,100
Refundable taxes	343,000	691,000
Def. inc. tax benefits	1,239,000	850,000
Notes recev., curr.	227,400	153,800
Prepaid expenses	460,900	394,500
Land & bldg. held for sale	—	3,392,000
Current Assets	$ 28,359,000	$ 35,106,200
#Fixed assets	15,979,800	15,682,600
Other assets	4,230,200	1,583,600
Total Assets	$ 48,569,000	$ 52,372,400

Liabilities

Bank overdraft	$ —	$ 1,150,300
Notes payable	—	3,520,200
Long-term debt, curr.	—	1,106,500
Accts. payable	1,997,900	2,462,600
Accruals	5,733,400	6,425,500
Curr. Liabilities	$ 7,731,300	$ 14,665,100
Long-term debt	5,000,000	5,000,000
Deferred inc. taxes	897,000	850,000
Other liabilities	215,200	556,900
+Common stock	2,526,900	2,526,900
Add. paid-in capital	28,352,400	28,352,400
Retained earnings	3,846,200	421,100
Total Liabilities & Shareholders' Equity	$ 48,569,000	$ 52,372,400

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	4.79	—
Sales to Inventories	6.60	7.94
Debt to Equity	0.14	0.34
Working Capital	$ 20,627,700	$ 20,441,100
Current Ratio	3.67	2.39
Shareholders' Equity	$ 34,725,500	$ 31,300,400

Safeguard Scientifics, Inc.

800- The Safeguard Building
435 Devon Park Drive
Wayne, Pennsylvania 19087
(215) 293-0600
FAX: (215) 293-0601

Officers: Warren V. Musser, chairman & chief exec. officer; Adolf A. Paier, president & chief operating officer; Charles A. Root, exec. v.p.; Delbert W. Johnson, v.p. & pres.-Pioneer Metal Finishing; Joseph F. Waterman, v.p.; Gary J. Anderson, exec. v.p.; Gerald M. Wilk, v.p.-finance; Michael W. Miles, corp. controller; Robert H. Strouse, v.p., general counsel & secretary; Robert P. Floyd, Jr., dir.-corp. relations; W. Christopher Jesse, v.p. & pres.-Tangram Systems Corp.; John K. Kaiser, v.p.

Directors: Warren V. Musser, chairman; Adolf A. Paier, Vincent G. Bell, Jr., Alfred R. Berkeley, III, Lawrence Chimerine, Robert A. Fox, Peter Likins, Jean C. Tempel, John W. Poduska, Sr., Russell E. Palmer, Heinz Schimmelbusch.

Areas of Work: Current activities of the Company include distribution of microcomputer hardware; and sale of workstation systems, systems software and telecommunications equipment; specialty metal finishing; and ownership and management of commercial-real estate.

Subsidiaries:

CenterCore, Inc. (63%-owned)
Designs, manufactures and markets space-efficient modular office furniture workstation systems designed to address the needs of electronically oriented offices and ergonomic seating.

CompuCom Systems, Inc. (67%-owned)
Markets and distributes microcomputers, related peripheral equipment and software.

Coherent Communications Systems Corporation (99%-owned)
Develops, manufactures and markets sophisticated communications conditioning equipment such as digital echo cancellers and acoustical echo cancellers.

Pioneer/Norelkote
Minneapolis, Minnesota; Green Bay, Wisconsin & Phoenix, Arizona
Provides a variety of metal finishes for aluminum and other metal products.

Rabbit Software Corporation (66%-owned)
Designs, develops, and markets data communications software products.

Premier Systems, Inc. (88%-owned)
Markets a highly integrated trust accounting and securities processing systems for use by banks and investment managers.

Tangram Systems Corporation (92%-owned)
Develops and markets cooperative processing software.

Micro Decisionware, Inc. (64%-owned)
Develops and markets software that allows a PC user to retrieve information from a mainframe and process it using standard PC applications programs.

Affiliates:

Sanchez Computer Associates (39%-owned)
Malvern, Pennsylvania
Develops and markets proprietary computer software products for financial institutions.

Blue Chip Products, Inc. (24%-owned)
Manufactures and distributes remanufactured automotive parts, including water pumps, clutches, starters and alternators.

The Nichols Company (40%-owned)
Commercial real estate development company.

Surgilase, Inc. (48%-owned)
Develops, markets and sell medium and high power carbon dioxide surgical lasers based on state-of-the-art "sealed tube" technology; also markets low power CO2 lasers used in out-patient facilities and the physician office environment.

Laser Communications, Inc. (49%-owned)
Designs, develops and produces laser products which, have the ability to transmit and receive simultaneously electronic voice, video and data communications through the atmosphere for distances up to one kilometer.

Transfer Agent(s):

Mellon Bank (East) N.A.
Philadelphia, Pennsylvania

Stock Exchange(s): New York

Ticker Symbol: SFE

Sales & Earnings

	Net Sales	Net Income †
1990	$ 449,067,000	$ 15,554,000
1989	383,484,000	7,254,000
1988	284,179,000	7,249,000
1987	103,321,000	12,876,000
1986	67,515,000	7,109,000

	No. of Com. Shares ‡	Earn. per Share †‡
1990	5,130,000	$ 3.03
1989	5,311,000	1.37
1988	5,047,000	1.44
1987	5,041,000	2.55
1986	4,598,000	1.55

† Including extraordinary gain of $1,378,000 ($0.30 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1990	1989
Information services		
Microcomputer syst	$ 348,330	$ 276,157
Workstation systems	41,670	42,829
Data communications	33,964	23,186
Industrial services		
Metal finishing	19,700	17,947
PowerTech systems	—	18,400
Commercial real estate	5,403	4,965
Total	$ 449,067	$ 383,484

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 81,354,000	$ 15.86
1989	65,889,000	12.41
1988	63,597,000	12.60
1987	52,694,000	10.45
1986	34,429,000	7.49

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Dec. 31	1990	1989
Revenues		
Net sales	$ 449,067	$ 383,484
Gains on sale of secur	50,230	16,810
Other income	1,102	2,732
Total revenues	$ 500,399	$ 403,026
Cost of sales	345,556	296,810
Expenses	96,092	72,646
Depreciation & amortization	12,587	7,919
Interest expense	13,633	12,904
Gain on sale of PowerTech	—	(10,360)
Loss from eq. invest.	3,716	9,363
Minority interest	899	1,654
Income before taxes	$ 27,916	$ 12,090
Income taxes	12,362	4,836
Net Income	$ 15,554	$ 7,254

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 3,770	$ 3,770
Accts. recev., net	92,863	88,623
*Inventories	70,851	65,584
Other curr. assets	4,738	2,014
Current Assets	$ 172,222	$ 159,991
#Fixed assets	22,640	18,436
Commercial rl. estate	48,440	44,242
Investments	6,762	22,572
Notes & other recev.	1,555	4,453
Exc. of cost over assets acq.	40,019	30,786
Other assets	8,648	7,853
Total Assets	$ 299,986	$ 288,333

Liabilities
(000's)

	1990	1989
Commercial rl. est. debt	$ 7,898	$ —
Long-term debt, curr.	1,793	3,407
Accts. payable	52,164	47,808
Accruals	17,081	16,133
Income taxes	—	1,563
Curr. Liabilities	$ 78,936	$ 68,911
Long term debt	80,090	89,094
Commercial rl. est. debt	41,689	45,417
Deferred inc. taxes	2,962	5,372
Minority interest	13,344	12,646
Other liabilities	1,611	1,004
+Common stock	547	547
Add. paid-in capital	26,244	26,244
Retained earnings	60,049	44,495
Treasury stock	(5,486)	(5,397)
Total Liabilities & Shareholders' Equity	$ 299,986	$ 288,333

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	6.22	3.15
% Net Income to Sales	3.46	1.89
% Net Income to Equity	19.12	11.01
Sales to Inventories	6.34	5.85
Debt to Equity	1.62	2.09
Working Capital	$ 93,286,000	$ 91,080,000
Current Ratio	2.18	2.32
Shareholders' Equity	$ 81,354,000	$ 65,889,000

Sage Laboratories, Inc.

11 Huron Drive
East Natick Industrial Park
Natick, Massachusetts 01760-1314
(508) 653-0844
FAX (508) 653-5671

Officers: Theodore S. Saad, chairman of the board; Carl A. Marguerite, president & treasurer; Anthony Cieri, v.p.-sales; Harry F. Chapell, v.p.-research & development; Robert P. Moncreiff, clerk.

Directors: Theodore S. Saad, Edward M. Scheu, Jr., Carl A. Marguerite, John E. Miller.

Areas of Work: Designs, manufactures, and markets specialized components (both active and passive) used in the transmission, reception, and modification of microwave energy. Such components include mixers, filters, hybrids, couplers, switches, rotary joints, attenuators and terminations.

Division:

Components Division
11 Huron Drive
Natick, Massachusetts 01760
(508) 653-0844

Subsidiaries:

Sage Laboratories Investment Corporation

Transfer Agent(s):

State Street Bank & Trust Co.
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SLAB (NASDAQ)

Number of Employees:

1990	39	1987	40
1989	39	1986	38
1988	41		

Plant Footage:

1990	20,000 sq. ft.	1987	20,000
1989	20,000	1986	20,000
1988	20,000		

Sales & Earnings

	Net Sales ‡	Net Income
1990	$ 8,262,813	$ 1,292,390
1989	6,749,621	812,338
1988	5,646,715	564,448
1987	4,533,909	457,811
1986	5,428,945	838,398

	No. of Com. Shares	Earn. per Share +
1990	322,355	$ 3.44
1989	396,155	2.05
1988	395,455	1.38
1987	417,405	1.07
1986	448,905	1.80

‡ Includes contract revenues.
+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.20	—	—
1989	0.20	—	—
1988	0.20	—	—
1987	0.20	—	—
1986	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 5,627,000	$ 14.98
1989	5,564,210	14.02
1988	4,633,267	11.35
1987	4,308,386	10.07
1986	4,546,279	9.74

Income Account*

Year ended June 30	1990	1989
Net sales & contract revenues	$ 8,262,813	$ 6,749,621
Cost of sales & revenues	3,946,950	3,335,121
Expenses	2,358,822	1,999,791
Oper. profit	$ 1,957,041	$ 1,414,709
Interest income	(321,821)	(247,727)
Dividend income	(21,839)	(46,939)
Interest expense	176,946	196,055
Loss (inc.) on property	10,670	(76,084)
Loss on market. secur.	5,695	162,066
Income before taxes	$ 2,107,390	$ 1,427,338
Income taxes	815,000	615,000
Net Income	$ 1,292,390	$ 812,338

* Included in Costs and Expenses, Depreciation and Amortization: $290,387 in 1990 and $290,779 in 1989.

Assets

As of June 30	1990	1989
Cash	$ 21,435	$ 10,996
Short-term investments	4,289,415	3,192,749
Accts. recev., net	1,351,089	1,571,340
*Inventories	839,135	1,017,487
Prepaid expenses	180,445	61,845
Current Assets	$ 6,681,519	$ 5,854,417
#Fixed assets	2,759,492	2,778,529
Note recev. — officer	101,367	106,497
Market. secur.	—	434,158
Other assets	59,445	111,242
Total Assets	$ 9,601,823	$ 9,284,843

Liabilities

Long-term debt, curr	$ 166,667	$ 166,667
Accts payable	271,626	241,871
Accrued payroll	943,767	681,374
Accrued commissions	118,517	129,419
Accrued taxes	72,883	116,142
Accrued inc taxes	244,534	224,863
Other accruals	316,513	173,872
Curr Liabilities	$ 2,134,507	$ 1,734,208
Long-term debt	1,682,759	1,849,425
Deferred inc taxes	158,000	137,000
•Common stock	489,096	488,896
Add paid-in capital	1,018,619	1,017,619
Retained earnings	6,481,822	5,270,663
Treasury stock	(5,359,455)	(1,188,805)
Deferred comp	(5,525)	(24,163)
Total Liabilities & Shareholders' Equity	$ 9,601,823	$ 9,284,843

* At lower of cost (FIFO) or market
≠ Less accumulated deprecation and amortization
• $1 par value

Statistical Summary

% Income before Taxes to Sales & Rev	25.50	21.15
% Net Income to Sales & Rev	15.64	12.04
% Net Income to Equity	22.97	14.60
Debt to Equity	0.33	0.36
Working Capital	$ 4,547,012	$ 4,120,208
Current Ratio	3.13	3.38
Shareholders' Equity	$ 5,626,557	$ 5,564,210

The Samsung Group

Samsung Main Building
250 2-ka Taepyung-ro Chung-ku
Seoul, Korea
(02) 751-2114
FAX (02) 753-0967

Officers: Jin-Ku Kang, chairman & CEO; Kwang-Ho Kim, president-Semiconductor; Yong-Moon Jung, exec v.p.-Information Systems; Sun-Doo Hwang,-exec v.p.-Domestic Operations; Young-Soo Kim, exec v.p.-Computer & Systems; Jong-Yong Yun, exec v.p.-Consumer Electronics

Areas of Work: In the Electronics area, the Company manufactures color and black-and-white TVs, video cassette recorders, stereo systems, home appliances, industrial electronic equipment, picture tubes, CRTs for data display, display monitors, receiving tubes, transistors, diodes, computers, VHF and UHF tuners, condensers, ceramic capacitors, speakers, deck mechanisms, TV glass bulbs, electronic gun-mounts, glass rods, glass bulbs for computer display, 64K D-RAM, 256K D-RAM, and 1M D-RAM semiconductors, optical cables and fibers, electronic switching systems, and facsimiles.

In the Precision area, the Company manufactures jet engines, electro-optics equipment, cameras, industrial robots, process control systems, computer peripherals, digital and analog watches, and electronic display boards.

The Company is also involved in the production of industrial machinery, chemicals and textiles, food processing, insurance, hotel services, the operation of department stores and newspapers and magazines.

Subsidiaries (Korea):

Samsung Co., Ltd
Samsung Main Bldg., 26th Floor
250 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 1144
Seoul, Korea
751-2114

Cheil Sugar & Co. Ltd
Dongbang Main Bigd., 18th Floor
150 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 1155
Seoul, Korea
7518-114

Cheil Wool Textile Co., Ltd
Samsung Main Bldg., 8th Floor
250 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 1955
Seoul, Korea
751-2114

Cheil Synthetic Textiles Co., Ltd
Dongbang Main Bldg., 19th Floor
150 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 3913
Seoul, Korea
7518-114

Chonju Paper Mfg. Co., Ltd
Donbang Main Bldg., 21st Floor
150, 2-ka Taepyung-ro, Chung-ku
Seoul, Korea
755-6619
FAX 755-2357

Joong-Ang Development Co., Ltd
Samsung Bldg., 12th Floor
50, 1-ka, Ulchi-ro, Chung-ku
Seoul, Korea
777-5801

Samsung Electronics Co., Ltd
Joong-ang Daily News Bldg., 18th Floor
7, Soonhwa-dong, Chung-ku
C.P.O. Box 2775
Seoul, Korea
751-6114

Samsung Electron Devices Co., Ltd
Joon-ang Daily News Bldg., 5-8th Floor
7, Soonhwa-dong, Chung-ku
Seoul, Korea
755-2333

Samsung Aerospace Industries Ltd
Dongbang Main Bldg., 16th Floor
150, 2-ka Taepyung-ro, Chung-ku
Seoul, Korea
7518-114

Samsung Corning Co., Ltd
472 Sin-ri, Taean-up, Whasung-kun
Kyungki-do, Korea
P.O. Box 32
Suwon:(0331)33-5588
Seoul 7515-114

Samsung Electro-Mechanics Co., Ltd
314 Maetan-dong, Suwon-si
Kyungki-do, Korea
Seoul 7512-114
FAX Suwon 33-5511

Samsung Petrochemical Co., Ltd
Dongbang Main Bldg., 10th Floor
150, 2-ka, Takepyung-ro, Chung-ku
Seoul, Korea
7518-821/31

Samsung Shipbuilding & Heavy Industries Co., Ltd
Samsung Main Bldg., 19-20 Floor
250, 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 3384
Seoul, Korea
751-2114

Ankuk Fire & Marine Insurance Co., Ltd
Samsung Bldg., 6th Floor
50, 1-ka, Ulchi-ro, Chung-ku
C.P.O. Box 469
Seoul, Korea
771-42

Dongbang Life Insurance Co., Ltd
Dongbang Main Bldg
150, 2-ka, Taepyung-ro, Chung-ku
Seoul, Korea
7518-14

Shinsegae Department Store Co., Ltd
52-5, 1-ka, Chnungmu-ro, Chung-ku
Seoul, Korea
754-1234

Koryo General Hospital
108, Pyeong-dong, Chongno-ku
C.P.O. Box 3452
Seoul, Korea
739-3211/20

Hotel Shilla Co., Ltd
202, 2-ka, Jangchung-dong, Chung-ku
Seoul, Korea
233-3131

Samsung Construction Co., Ltd
Joong-ang Bldg
58-9 Seosomun-dong, Chung-ku
C.P.O. Box 8526
Seoul, Korea
757-8877

Samsung Electronics U.K. Ltd
Joong-ang Bldg., 9th Floor
58-9, Seosomun-dong, Chung-ku
C.P.O. Box 4351
Seoul, Korea
757-9900

Samsung Semiconductor & Telecommunications Co., Ltd
Dongbang Main Bldg., 26th Floor
150, 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 8233
Seoul, Korea
771-78

Samsung Watch Co., Ltd
Samsung Main Bldg., 7th Floor
250, 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 1806
Seoul, Korea
751-2114

Samsung Medical Systems Co., Ltd
429-1 Sin-ri Taean-up
Hwasung-gun, Kyungki-do
745-5491/4

Samsung Hewlett Packard Co
36-1 Youido-dong, Youngdeungpo-ku
Seoul, Korea
784-2666

The Joong-Ang Daily News
Joon-ang Daily News Bldg
7, Soonhwa-dong, Chung-ku
Seoul, Korea
7515-114

Samsung Data Systems Co., Ltd
Samsung Main Bldg., 6th Floor
250, 2-ka, Taepyung-ro, Chung-ku
C.P.O. Box 4283
Seoul, Korea
756-6313

Subsidiaries (Europe & Africa):

Samsung Semiconductors Europe GmbH
Mergenthaler Allee 38-40
6236 Eschborn
Germany

Samsung Electronics Manufacturing U.K.
Royce Avenue
Billingham, Cleveland TS23 4 BX U.K.

Samsung Electronica Portuguesa SARL
Estrada de Manique Alcoita
Portugal

Samsung Electronics U. K. Ltd
225 Hook Rise South Surbitron
Surrey KT6 7LD U.K.

Samsung Electronics GmbH
Daimlerstrasse 6 6374
West Germany

Samsung Electronics France
46, Rue Arago 92800 Puteaux
France

Subsidiaries (Asia & Oceania):

Samsung Electronic Australia Pty Ltd
Unit G. 10-16 South Strret
Rydalmere N.S.W. 2116, Australia

Samsung Electronics Japan Co., Ltd
5F-8F Sudacho Verde Building
2-3 Kandasuda-cho, Chiyoda-ku
Tokyo 101, Japan

Samsung Electronic H.K. Co., LTd
24/FL. Admiralty Centre
18 Harcourt Road
Hong Kong

Pt. Samsung Maspion Indonesia
Jl Kembang Jepun 38-40
Surabaya, Japan

Thai-Samsung Electronics Co., Ltd
313 Mooi Sukhaphiban 8rd Choiburi
Thailand

Subsidiaries (North & Latin America):

Samsung International Inc
One Samsung Place
Ledgewood, New Jersey 07852
(201) 347-8004

Samsung Semiconductor Inc
3725 North 1st Street
San Jose, California 95134-1708
(408) 954-7290

Samsung Information Systems America, Inc
3655, North First Street
San Jose, California 95134-1708
(408) 434-5488

Samsung Mexicana S. D. DE. C.V
Ave Produccion No 15 Praque
Tijuana, Mexico

Samsung Electronics America Inc
301 May Hill Street
Saddlebrook, New Jersey 07662
(201) 587-9600

Samsung Software America Inc
1 Corporate Drive
Andover, Massachusetts 01810
(508) 685-7200

Samsung Electronics Canada Inc
445 Hood Road
Markham, Ontario L3R 8HI Canada

Stock Exchange(s): Seoul, Korea

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	W4,006,807,015	W 158,481,699
1988	3,028,252,908	101,825,421
1987	2,381,311,857	34,533,232
1986	1,472,256,000	N.A.
1985	1,276,560,000	N.A.

	No. of Com. Shares	Earn. per Share
1989	36,520,000	W 4,339.59
1988	33,200,000	3,067.03

W - Korean Won
N.A. - Not Available

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	W 697,833,443 +	W19,108.25
1988	485,881,424	14,634.98
1987	220,987,697	—

+ After allowing for preferred stock at stated value

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	W4,006,807,015	W3,028,252,908
Other income	110,243,775	91,817,671
Total income	W4,117,050,790	W3,120,070,579
Cost of sales	3,092,365,230	2,555,037,194
Expenses	536,196,938	299,161,342
Interest expense	133,405,543	61,723,342
Other expense	155,730,014	76,201,076
Income before taxes	W 199,353,065	W 127,947,625
Income taxes	40,871,366	26,122,204
Net Income	W 158,481,699	W 101,825,421

* Included in Costs and Expenses, Depreciation and Amortization W587,442,938 in 1989 and W125,778,011,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & bank deposits	W 54,042,829	W 136,208,874
Marketable securities	1,874,159	12,674,869
Accts. & notes receiv., net	347,642,781	347,947,363
Inventories	587,919,381	417,667,951
Guarantee deposits	58,942,929	100,896,226
Other curr. assets	27,739,133	33,733,258
Current Assets	W1,078,161,212	W1,049,128,541
Invest. in subsid. & affils.	153,762,026	134,288,274
#Fixed assets	1,431,081,386	1,128,641,933
Deposits & other assets	154,377,946	114,960,707
Deferred charges	92,159,260	34,966,678
Total Assets	W2,909,541,830	W2,461,986,133

Liabilities
(000's)

	1989	1988
Short-term loans	W 167,643,858	W 307,911,262
Long-term debt, curr.	188,247,094	145,323,820
Accts. & notes payable	523,508,912	494,633,135
Income taxes pay.	23,640,433	25,173,142
Other curr. liab.	120,114,011	111,417,931
Curr. Liabilities	W1,023,154,308	W1,084,459,290
Long-term debt	959,841,476	713,787,600
Notes & bonds in for. curr.	71,695,700	72,059,100
Accrued severance benefits	128,342,130	92,499,021
Deferred gains	9,974,773	13,299,698
+Preferred stock	18,700,000	—
+Common stock	182,600,000	181,094,745
Revaluation surplus	24,400,991	24,400,991
Other capital surplus	141,862,066	83,054,658
Retained earnings	348,970,386	216,238,404
Treasury stock	—	(18,907,374)
Total Liabilities & Shareholders' Equity	W2,909,541,830	W2,461,986,133

Less accumulated depreciation
+ W5,000 par value

Statistical Summary

%Income bef. Taxes to Sales	4.98	4.23
%Net Income to Sales	3.96	3.36
%Net Income to Equity	22.12	20.96
Sales to Inventories	6.82	7.25
Debt to Equity	1.84	2.40
Working Capital (000's)	W 55,006,904	—
Current Ratio	1.05	—
Shareholders' Equity (000's)	W 716,533,443	W 485,881,424

Scan-Optics, Inc.

22 Prestige Park Circle
East Hartford, Connecticut 06108
(203) 289-6001
FAX: (203) 289-9034

Officers: Richard I. Tanaka, chairman of the board, chief executive officer & president; Clarence W. Rife, v.p.-systems & service; Curtis D. Abel, v.p.-sales; William J. Kliss, v.p.-Irvine operations; John H. Aucoin, v.p., senior financial officer & assistant secretary; John B. Sayre, v.p.-facilities & manufacturing; John V. Woods, gen. mgr.-Scan-Optics Ltd.; Carolyn M. Skahill, treasurer; William H. Cuddy, secretary.

Directors: Richard I. Tanaka, Logan Clarke, Jr., Robert H. Steele, Richard J. Coburn, Lyman C. Hamilton, Jr., Richard Hodgson, E. Bulkeley Griswold.

Areas of Work: Engaged in the development, manufacture and marketing of data entry systems using optical character recognition, key data entry and image processing technologies. The Company either sells this data entry equipment directly to customers or leases it through its wholly owned subsidiary, World-Wide Systems Corporation. The Company also furnishes maintenance and engineering support service to its customers as well as software and systems analysis service.

Subsidiaries:

World-Wide Systems Corporation
22 Prestige Park Circle
East Hartford, Connecticut 06108
(203) 289-6001

Scan-Optics, Limited
36 Sunbury Cross Centre
Sunbury, Middlesex TW16 7AZ, England

Scan-Optics (Canada), Ltd.
7100 Woodbine Avenue
Suite 213
Markham, Ontario L3R 5J2, Canada

Scan-Optics (France), S.A.
140 boulevard Malesherbes
75017 Paris, France

Transfer Agent(s):

Mellon Financial Services
Fiduciary Services Group
111 Founders Plaza, 11th Floor
East Hartford, Connecticut 06108

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOCR (NASDAQ)

Number of Employees:

1990	400	1987	528
1989	446	1986	N.A.
1988	584		

Plant Footage:

1990	N.A.	1987	136,000
1989	166,000 sq. ft.	1986	N.A.
1988	166,000		

N.A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 25,059,482	$ 625,429
1989	25,362,020	(15,357,583)
1988	31,793,028	(1,941,238)
1987	29,324,963	(1,135,471)
1986	15,829,268	3,019,321

	No. of Com. Shares +		Earn. per Share +
1990	6,297,889	$	0.10
1989	6,294,627		—
1988	6,306,518		—
1987	6,535,743		—
1986	6,693,808		0.45

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	19,025,459	$	3.02
1989		18,041,957		2.87
1988		33,406,872		5.30
1987		36,569,743		5.60
1986		40,227,318		6.01

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Dec. 31		1990		1989
Net sales	$	25,059,482	$	25,362,020
Lease & serv. rev. & fin. inc.		17,420,827		15,909,854
Total income	$	42,480,309	$	41,271,874
Cost of sales		16,405,104		27,440,192
Expenses		24,417,796		29,124,195
Depreciation		38,453		62,702
Plant consolidation		—		1,485,000
Interest expense		752,775		1,448,880
Interest income		(27,975)		(5,949)
Other income		(108,117)		(14,563)
Inc. (loss) bef. taxes	$	1,002,273	$	(18,268,583)
Income taxes (credit)		376,844		(2,911,000)
Net Income (Loss)	$	625,429	$	(15,357,583)

Assets

As of Dec. 31		1990		1989
Cash & cash equiv.	$	330,199	$	783,173
Accts. receiv., net		7,028,928		6,946,582
Receiv. - sales-type leases		740,310		1,375,074
*Inventories		12,773,999		16,424,218
Prepaid expenses		547,257		217,090
Refund inc. taxes		—		3,345,416
Current Assets	$	21,420,693	$	29,091,553
Equip. leased to customers		65,755		30,229
#Fixed assets		6,725,764		7,797,219
Invest. in sales-type leases		1,073,629		2,199,968
Other assets		100,084		100,084
Total Assets	$	29,385,925	$	39,219,053

Liabilities

Notes payable	$	586,468	$	9,950,000
Note payable to Volkswagen		1,433,010		2,337,000
Debt guarantee for ESOP		132,481		1,059,846
Accts. payable		1,791,081		1,663,080
Accrued payroll		623,150		866,941
Misc. taxes		454,527		456,836
Income taxes		224,039		—
Customer deposits		247,535		325,465
Deferred revenues		1,597,823		899,266
Other curr. liab.		2,076,790		3,217,443
Curr. Liabilities	$	9,166,904	$	20,746,386
Other liabilities		246,381		246,325
Debt guarantee for ESOP		794,884		—
Deferred inc. taxes		~~152,297~~		184,385
+Common stock		117,073		117,073
+Common stock - Class A		17,089		17,089
Add. paid-in capital		33,784,856		33,784,856
Retained earnings (deficit)		(11,558,887)		(12,184,316)
Curr. trans. adj.		238,568		12,976
Debt guarantee for ESOP		(927,365)		(1,059,846)
Treasury stock		(2,645,875)		(2,645,875)
Total Liabilities & Shareholders' Equity	$	29,385,925	$	39,219,053

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.02 par value.

Statistical Summary

% Income bef. Taxes to Sales		4.00		—
% Net Income to Sales		2.50		—
% Net Income to Equity		3.29		—
Sales to Inventories		1.96		1.54
Debt to Equity		0.15		0.74
Working Capital	$	12,253,789	$	8,345,167
Current Ratio		2.34		1.40
Shareholders' Equity	$	19,025,459	$	18,041,957

Schlumberger Limited

277 Park Avenue
New York, New York 10172
(212) 350-9400
FAX: (212) 350-9564

42, rue Saint-Dominique
Paris 75007, France

2-7-1, Nishi-Shinjuku 2-chome
Shinjuku-ku
Tokyo 163, Japan

Officers: Euan Baird, chairman of the board & chief exec. officer; Arthur Lindenauer, exec. v.p. & chief financial officer; Michel Gouilloud, exec. v.p.; Roland Genin, vice chairman of the board; Victor E. Grijalva, exec. v.p.; Clermont A. Matton, exec. v.p.; Rene Mitieus, exec. v.p.; Ian Strecker, exec. v.p.; Andre Salaber, exec. v.p.; Jean-Dominique Percevault, v.p.-personnel; Allen Klein, v.p.; Andre Misk, v.p.; John D. Ingram, v.p.-chief technical officer; Jimmy D. Callison, v.p.; Patrick J. B. Corser, v.p.-controller; David S. Browning, secretary & general counsel; Michel Soublin, v.p.-business development & treasurer; James A. Mackenzie, asst. secretary; Thomas O. Rose, asst. secretary.

Directors: Euan Baird, chairman; Roland Genin, William T. McCormick, Jr., Don E. Ackerman, Nicolas Seydoux, Sven Ullring, Guy Dejouany, John Deutch, Didier Primat, Eiji Umene, Arnaud de Vitry.

Areas of Work: Provides measurement and control instruments and systems, computer-aided design, manufacturing and testing services, and electronic components for consumer, industrial and commercial applications. Also offers well-site and contract drilling services to the oil industry on a wor~~ldwide basis.~~

Divisions and Subsidiaries:

OILFIELD SERVICES

Wireline, Testing & Seismic Services
Provides oilfield services that help locate and define oil and gas reservoirs, and assist in the completion, development and production phases of oil and gas wells.

Wireline & Testing Services
Measurements of the geophysical and geological properties of underground formations to help locate and characterize reservoirs, and services to test and produce oil and gas wells.

GECO
Acquires, processes and interprets seismic data used to define subsurface structures where prospective oil or gas reservoirs may be trapped.

Drilling & Pumping Services
Offers oilfield services in the drilling and completion phases of oil exploration and development.

Sedco Forex
Operates 39 offshore and 34 land drilling rigs.

Anadrill
Well-site analysis of surface and downhole drilling and geological data used to aid drilling efficiency and safety, to determine the direction of drilling, and the types of formations being drilled.

Dowell Schlumberger (50% owned)
Pressure pumping services for cementing casing in the borehole and for stimulating production by acidizing or fracturing treatments.

MEASUREMENT & SYSTEMS

Schlumberger Industries
Designs, manufactures and sells products, systems and service for the acquisition, processing, transmission and analysis of data.

Electricity Management
Electricity meters, load and rate management and automatic meter reading and billing systems.

Water and Gas
Meters for measuring water, gas, thermal energy and industrial fluids consumption; automatic meter reading and billing systems.

Process Control and Transducers
Industrial process control equipment and transducers.

Schlumberger Technologies
Provides hardware and software tools to help engineering customers shorten design and production cycles, and supplies products and systems for electronic payments and transations.

Automatic Test Equipment
Automatic test equipment and software for diagnostic testing of integrated circuits, as well as functional and in-circuit testing of printed-cicuit boards and integrated circuits.

Computer Aided Design and Manufacturing
Computer-based solutions for engineering design and manufacturing processes; software for numerically controlled machine tools.

Electronic Transations
Cards, terminals, systems and service to automate point-of-sale payments; fuel dispensing systems for gas stations, parking and mass transit terminals, public payphones and smart cards.

Instruments
Electronic instruments for mechan~~ical~~ design, telecommunications, process control and electronic service.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Paris, London, Amsterdam, Frankfurt, Swiss, Tokyo.

Ticker Symbol: SLB (New York)

Number of Employees:

1990	50,000	1987	50,000
1989	46,000	1986	49,661
1988	48,000		

Sales & Earnings

		Net Sales + (000's)		Net Income ‡ (000's)
1990	$	5,433,647	$	570,281
1989		4,843,706		441,454
1988		5,175,372		-476,151
1987		4,727,019		352,640
1986		4,938,420		(2,017,591)

	No. of Com Shares †	Earn. per Share ‡ †
1990	238,056,000	$ 2.40
1989	237,859,000	1.86
1988	264,199,000	1.80
1987	277,065,000	1.27
1986	287,387,000	—

(Loss)

† Includes services and other income; of continuing operations only

‡ Including extraordinary gains of $21,500,000 ($0.09 per share) in 1989, $22,287,000 ($0.08 per share) in 1988 and $70,080,000 ($0.25 per share) in 1987

† Based on the average number of common shares outstanding

Revenues By Line of Business
(000's)

	1990	1989
Oilfield services	$ 3,240,000	$ 2,696,000
Measurement & control	2,066,000	1,990,000
Interest and other income	128,000	158,000
Total	$ 5,434,000	$ 4,844,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.20	—	—
1989	1.20	—	—
1988	1.20	—	—
1987	1.20	—	—
1986	1.20	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	$ 3,254,816	$ 13.67
1989	2,897,912	12.18
1988	2,755,018	10.43
1987	3,835,884	13.84
1986	4,123,271	14.35

‡ Based on the average number of common shares outstanding

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales & services	$ 5,306,217	$ 4,685,995
Other income	127,430	157,711
Total income	$ 5,433,647	$ 4,843,706
Cost of sales & services	3,731,454	3,342,102
Expenses		
Research & eng	372,736	339,071
Marketing	262,152	268,341
General	282,222	267,759
Interest expense	86,686	95,741
Income bef. taxes	$ 698,397	$ 530,688
Income taxes	128,116	110,734
Net Income	$ 570,281	$ 419,954
Extraord. gain	—	21,500
Net Income & extraord. gain	$ 570,281	$ 441,454

* Included in Costs and Expenses, Depreciation and Amortization: $552,297,000 in 1990 and $519,727,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 47,851	$ 53,913
Investments	1,276,508	1,299,560
Receiv., net	1,259,127	1,103,609
*Inventories	570,598	509,919
Other curr. assets	92,451	63,781
Current Assets	$ 3,246,535	$ 3,030,782
Invest. in affil. cos.	331,761	296,036
Investments & receiv.	217,276	169,709
≠Fixed assets	1,911,379	1,647,833
Exc. of cost over assets acq.	401,372	274,401
Other assets	67,327	63,025
Total Assets	$ 6,175,650	$ 5,481,786

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 88,113	$ 57,029
Accts. payable & accruals	1,337,978	1,137,986
Bank loans	377,377	296,128
Dividends payable	71,831	71,600
Income taxes	559,418	583,930
Curr. Liabilities	$ 2,434,717	$ 2,146,673
Long-term debt	331,746	292,487
Other liabilities	154,371	144,714
+Common stock	437,532	410,343
Retained earnings	5,161,912	4,877,367
Treasury stock	(2,393,176)	(2,349,633)
Trans. adjustment	48,548	(40,165)
Total Liabilities & Shareholders' Equity	$ 6,175,650	$ 5,481,786

* At lower of average or standard cost or market

≠ Less accumulated depreciation

+ $0.01 par value

Statistical Summary

% Income bef. Taxes to Sales	13.16	11.32
% Net Income to Sales	10.75	8.96
% Net Income to Equity	17.52	14.49
Debt to Equity	0.13	0.12
Working Capital	$ 811,818,000	$ 884,109,000
Current Ratio	1.33	1.41
Shareholders' Equity	$ 3,254,816,000	$ 2,897,912,000

SCI Systems, Inc.

2101 West Clinton Avenue
Huntsville, Alabama 35805
(302) 998-0592

P.O. Box 1000
Huntsville, Alabama 35807
(205) 882-4601

Officers: Olin B. King, chairman of the board & chief exec. officer; A. Eugene Sapp, Jr., president & chief oper. officer; senior v.p.'s: , Richard A. Holloway, Lynn B. King, Michael A. Reale, J. Larry Smart, Regional v.p.'s: , John F. Coyne, Chester Lin, Jeffrey L. Nesbitt, v.p.'s: , Robert G. Behlman, Robert M. Bozeman, Jack W. Cowan, P. Michael Dunn, John Gallagher, William M. Hahn, Francis X. Henry, David F. Jenkins, George J. King, LeRoy H. Mackedanz, Leonard L. Mitchum, Jr., David L. Mundie, B. William Nelson, Charles N. Parks, P. William Quinn, Jerry F. Thomas, Charels D. Tillett, Michael M. Sullivan, secretary

Directors: Olin B. King, chairman, Howard H. Callaway, Judith M. Trent, W. L. Halsey, Thomas H. Lenagh, A. Eugene Sapp, Jr., G. Robert Tod, A. M. Seaber

Areas of Work: SCI Systems, Inc. is an electronics manufacturer with a broad technology base. The Company is unusually vertically integrated and serves a diversified customer base in the North American, Western European, and East Asian markets from eighteen plants around the world.

The Company designs, manufactures, markets and services electronic products and systems, primarily for the computer, aerospace, telecommunications, medical, and banking industries, as well as for the U.S. Government. It is one of the world's largest independent electronic contract manufacturing firms and has the largest surface mount technology (SMT) manufacturing capacity in the merchant market.

The Atlantic, Central and Pacific Divisions perform contract manufacturing of electronic components, subassemblies, and finished products for original equipment manufacturers (OEMs), using surface mount and conventional assembly processes. These divisions also offer thier customers a wide range of engineering, purchasing, and manufacturing support services.

The Government Division provides data management, instrumentation, communications, and computer subsystems to the U.S. Government and its prime contractors.

The Computer Division designs and sells microcomputer based products, computer peripherals, and communication devices to OEMs, and a variety of computer based terminal and control systems to selected end users.

Acquisitions:

Adelantos de Tecnologia S.A. de C.V.
(joint venture)
Mexico

Cambridge Computer, Ltd. (96%-owned)
United Kingdom

Transfer Agent(s):

The First National Bank of Maryland
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SCIS (NASDAQ)

Number of Employees

1990	10,694	1987	6,660
1989	8,578	1986	5,185
1988	8,970		

Plant Footage

1990	2,637,000 sq. ft.	1987	1,100,000
1989	2,632,000	1986	987,000
1988	2,437,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,179,026,000	$ 2,308,000
1989	986,784,000	20,882,000
1988	774,176,000	18,973,000
1987	552,872,000	15,976,000
1986	470,224,000	13,792,000

	No. of Com Shares	Earn. per Share +
1990	20,950,519	$ 0.11
1989	20,914,243	1.00
1988	20,884,217	0.91
1987	20,811,497	0.77
1986	20,703,486	0.67

+ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 176,371,000	$ 8.42
1989	169,697,000	8.11
1988	151,636,000	7.27
1987	132,961,000	6.39
1986	114,469,000	5.53

SCI Systems, Inc.

Income Account *
(000's)

Year ended Jun. 30	1990	1989
Net sales	$ 1,179,026	$ 986,784
Cost of sales & expenses	1,152,518	945,211
Interest expense	27,099	18,509
Other expense	2,648	1,537
Other income	(5,547)	(3,685)
Income before taxes	$ 2,308	$ 25,212
Income taxes	—	4,330
Net Income	$ 2,308	$ 20,882

* Included in Costs and Expenses, Depreciation and Amortization: $35,709,000 in 1990 and $25,628,000 in 1989.

Assets
(000's)

As of Jun. 30	1990	1989
Cash & cash equiv	$ 27,981	$ 32,257
Accts. receiv., net	139,322	156,039
•Inventories	274,913	277,414
Refund inc. taxes	6,295	19,261
Other curr. assets	2,582	2,247
Current Assets	$ 451,095	$ 487,218
≠Fixed assets	153,922	119,627
Other assets	14,445	11,921
Intangibles	10,271	5,512
Total Assets	$ 629,733	$ 624,278

Liabilities
(000's)

	1990	1989
Long-term debt, curr	$ 2,133	$ 1,990
Accts. payable	83,011	120,616
Accrued payroll	12,763	12,083
Other accruals	29,475	24,440
Income taxes	7,643	12,178
Current Liabilities	$ 135,025	$ 171,307
Long-term debt	318,337	278,458
Deferred inc. taxes	—	4,816
+Common stock	2,099	2,095
Add. paid-in capital	53,756	53,442
Retained earnings	117,787	115,479
For. curr. trans. adjust	3,131	(917)
Treasury stock	(402)	(402)
Total Liabilities & Shareholders' Equity	$ 629,733	$ 624,278

• At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	0.20	2.55
% Net Income to Sales	0.20	2.12
% Net Income to Equity	1.31	12.31
Sales to Inventories	4.29	3.56
Debt to Equity	1.82	1.65
Working Capital	$ 316,070,000	$ 315,911,000
Current Ratio	3.34	2.84
Shareholders Equity	$ 176,371,000	$ 169,697,000

Scientific-Atlanta, Inc.

One Technology Parkway
P.O. Box 105600
Atlanta, Georgia 30348
(404) 441-4000
FAX (404) 441-4617

Officers: Sidney Topol, chairman of the board; William E. Johnson, chief executive officer; Raymond M. Hartnett, sr. v.p., chief financial officer & treasurer; William Y. O'Connor, sr. v.p. & pres.-Broadband Communications Group; Raymond D. Lucas, sr. v.p.-strategic operations; John E. Breyer, sr. v.p. & pres.-Electronic Systems Group; H. Allen Ecker, sr. v.p.-technical operations & chief technical officer; J. Marne Gleason, v.p., secretary & general counsel; James L. Faust, v.p.-international; Jules E. Kadish, v.p. & pres.-international marketing; Julian W. Eidson, v.p. & controller; Brian C. Koenig, v.p.-human resources; Margaret W. Jones, asst. secretary.

Directors: Wilbur B. King, Sidney Topol, Marion H. Antonini, James V. Napier, William E. Kassling, Alonzo L. McDonald, Wickham Skinner, William E. Johnson, David J. McLaughlin.

Areas of Work: Designs, manufactures and markets commercial electronic signal generating and receiving equipment consisting of a variety of standard and proprietary communications and instrumentation products. Communications products are used in satellite earth stations, cable television receiving and distribution systems, wireless home security systems and energy management systems. Communications products include antennas, receivers, transmitters and related electronic equipment. The Company's instrumentation products are used by a wide range of industrial and military customers to electronically test, measure and help control various equipment and processes. Instrumentation products consist of spectrum analyzers and systems, instruments to test and measure the quality and performance of various types of telecommunications equipment, and antenna test and measurement products. The Government Systems Group manufactures telemetry, electronic warfare, anti-submarine warfare and acoustic communications products and systems for the U.S. and foreign governments.

Subsidiaries:

Digital Video Systems Corp.
Toronto, Canada

Scientific-Atlanta GmbH
Munich, West Germany

Scientific-Atlanta Ltd.
Herts, England

Scientific-Atlanta (Canada), Ltd.
Mississauga, Ontario, Canada

Scientific-Atlanta S.A.
Montesson (Paris), France

Scientific-Atlanta S.p.A.
Rome, Italy

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SFA

Number of Employees:

1990	3,200	1987	3,800
1989	3,500	1986	4,139
1988	3,445		

Sales & Earnings

	Net Sales	Net Income
1990	$ 614,319,000	$ 44,299,000
1989	546,763,000	36,287,000
1988	508,587,000	29,670,000
1987	495,346,000	24,260,000
1986	469,124,000	(9,212,000)

	No. of Com Shares	Earn. per Share ‡
1990	22,452,367	$ 1.90
1989	23,079,640	1.53
1988	23,969,956	1.25
1987	23,449,015	1.04
1986	23,511,742	—

(Loss)
‡ Based on the weighted average number of common shares outstanding during each year.

Revenues by Line of Business

	1990	1989
Communications	$ 464,229,000	$ 385,771,000
Instrumentation	150,090,000	160,992,000
Total	$ 614,319,000	$ 546,763,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.16	—	—
1989	0.12	—	—
1988	0.12	—	—
1987	0.12	—	—
1986	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 279,469,000	$ 12.45
1989	256,571,000	11.12
1988	237,260,000	9.90
1987	201,603,000	8.60
1986	179,863,000	7.65

Income Account *
(000's)

Year ended June 30	1990	1989
Net sales	$ 614,319	$ 546,763
Cost of sales	405,637	377,599
Expenses	142,301	116,698
Interest expense	1,489	1,326
Interest income	(5,276)	(5,555)
Other expense (income)	5,967	(4)
Income bef. taxes	$ 64,201	$ 56,699
Income taxes	19,902	20,412
Net Income	$ 44,299	$ 36,287

* Included in Costs and Expenses, Depreciation and Amortization: $13,270,000 in 1990 and $13,172,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash & cash equiv	$ 90,764	$ 79,970
Receivables, net	99,853	115,204
•Inventories	106,046	88,357
Deferred inc. taxes	13,328	10,045
Current Assets	$ 309,991	$ 293,576
≠Fixed assets	60,004	45,093
Cost in exc. of assets acq	10,729	11,254
Other assets	8,149	5,724
Total Assets	$ 388,873	$ 355,647

Liabilities
(000's)

Short-term debt & long-term debt, curr	$ 4,747	$ 1,520
Accts. payable	33,017	29,891
Accruals	49,013	40,819
Income taxes	172	1,692
Curr. Liabilities	$ 86,949	$ 73,922
Long-term debt	2,301	2,595
Deferred inc. taxes	3,491	8,772
Other liabilities	16,663	13,787
+Common stock	12,043	12,043
Add. paid-in capital	116,554	114,978
Retained earnings	184,500	143,817
Cum. trans. adjust.	1,379	540
Treasury stock	(35,007)	(14,807)
Total Liabilities & Shareholders' Equity	$ 388,873	$ 355,647

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.45	10.37
%Net Income to Sales	7.21	6.64
%Net Income to Equity	15.85	14.14
Sales to Inventories	5.79	6.19
Debt to Equity	0.03	0.02
Working Capital	$ 223,042,000	$ 219,654,000
Current Ratio	3.57	3.97
Shareholders' Equity	$ 279,469,000	$ 256,571,000

Scientific Industries, Inc.

Airport International Plaza
70 Orville Drive
Bohemia, New York 11716
(516) 567-4700
FAX (516) 567-5896

Officers: Lowell A. Kleiman, president & treasurer; Cathy Pulver, v.p.; Charles N. Bellm, secretary; Claire McAuliffe asst. secretary & asst. treasurer.

Directors: Charles N. Bellm, Joseph I. Kesselman, Lowell A. Kleiman, Roger B. Knowles, Arthur M. Bordon.

Areas of Work: Produces scientific instruments and apparatus for laboratory use. Products include liquid mixers, timers, peristaltic pumps, rotators, hospital supply sterilizers, and sterilizer control systems. Also customizes and remanufactures sterilizers and autoclaves for laboratories, pharmaceutical houses, and medical device manufacturers.

Subsidiary:

Scientific Packaging Industries Inc.

Transfer Agent(s):

Continental Stock Transfer & Trust Co.
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SCND (NASDAQ)

Number of Employees:

1989	21	1987	25
1988	N.A.	1986	23

N.A. - Not Available

Plant Footage:

1989	41,287 sq. ft.	1987	41,287
1988	41,287	1986	41,287

Sales & Earnings

	Net Sales	Net Income †
1989	$ 2,357,800	$ 23,100
1988	2,173,500	44,100
1987	1,843,000	(70,200)
1986	2,054,600	121,900
1985	1,784,400	(221,000)

	No. of Com. Shares	Earn. per Share † ‡
1989	802,232	$ 0.03
1988	802,232	0.05
1987	802,232	—
1986	802,232	0.16
1985	754,232	—

(Loss)
† Including extraordinary gains of $3,700 ($0.01 per share) in 1989, $8,100 ($0.01 per share) in 1988 and $2,600 in 1986.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	1988	1987	1986
Laboratory equipment	87 %	78 %	75 %	68 %
Sterilizers, autoclaves and similar devices	13	22	25	32
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 573,400	$ 0.71
1988	550,300	0.69
1987	506,200	0.63
1986	576,400	0.72
1985	414,500	0.55

Income Account *

Year ended June 30	1989	1988
Net sales	$ 2,357,800	$ 2,173,500
Cost of sales	1,601,200	1,415,400
Expenses	750,200	741,100
Interest expense	9,800	5,600
Other income	(27,800)	(33,600)
Inc. bef. taxes	$ 24,400	$ 45,000
Income taxes	5,000	9,000
Net Income	$ 19,400	$ 36,000
Extraord. gain	3,700	8,100
Net Income & extraord. gain	$ 23,100	$ 44,100

* Included in Costs and Expenses, Depreciation and Amortization: $28,900 in 1989 and $26,900 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 66,500	$ 42,900
Accts. receiv., net	119,800	203,300
Costs in exc. of billings	—	2,800
*Inventories	526,700	446,300
Prepaid expenses	45,400	46,000
Current Assets	$ 758,400	$ 741,300
#Fixed assets	60,700	53,700
Other assets	24,800	22,400
Total Assets	$ 843,900	$ 817,400

Liabilities

Note payable-bank	$ 80,000	$ 50,000
Cap. lease oblig., curr.	5,500	—
Loan payable-officer	—	25,000
Accts. payable	81,600	124,600
Security deposit payable	4,000	—
Accrued expenses	27,700	47,200
Billings in exc. of costs	34,900	—
Customer advances	26,100	20,300
Curr. Liabilities	$ 259,800	$ 267,100
Cap. lease oblig.	10,700	—
+Common stock	41,100	41,100
Add. paid-in capital	835,100	835,100
Deficit	(250,400)	(273,500)
Treasury stock	(52,400)	(52,400)
Total Liabilities & Shareholders' Equity	$ 843,900	$ 817,400

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.03	2.07
%Net Income to Sales	0.82	1.66
%Net Income to Equity	3.38	6.54
Sales to Inventories	4.48	4.87
Debt to Equity	0.17	0.09
Working Capital	$ 498,600	$ 474,200
Current Ratio	2.92	2.78
Shareholders' Equity	$ 573,400	$ 550,300

Scintrex Limited

222 Snidercroft Road
Concord, Ontario L4K 1B5 Canada
(416) 669-2280
FAX (416) 669-5132

Officers: Harold O. Seigel, president & CEO; Gerald Stork, v.p.-finance; Anthony W. Howland-Rose, v.p.-Australian operations; Jin G. Baird, v.p.-Earth Sciences; Adrian Beale, v.p.-manufacturing; Sam Nargolwalla, v.p.-Nucleonics; Alfred J. Shaul, secretary.

Directors: Harold O. Seigel, Alfred J. Shaul, Gerald Stork, Harold I. Schiff, W. Denis Whitaker, Anthony W. Howland-Rose, Marilyn M. Seigel, John Patrick Sheridan, Allan I. Carswell, Michael G. Roman-Barber.

Areas of Work: A high technology company engaged in the research, design and manufacture of geophysical and geochemical exploration instrumentation, analytical instruments, including a portable bomb sniffer, nuclear reactor monitoring devices, defense-related equipment and other scientific products.

Subsidiary:

Scintrex Pty. Ltd.
1031 Wellington Street
West Perth 6005 Australia
321-6934

6 Tramore Place
Killarney Heights, N.S.W. 2087, Australia
451-5367

Transfer Agent(s):

The Royal Trust Company

Stock Exchange(s): Toronto

Ticker Symbol: SCT

Number of Employees:

1990	140	1987	200
1989	150	1986	200
1988	175		

Plant Footage:

1990	75,000 sq. ft.	1987	70,000
1989	70,000	1986	75,000
1988	70,000		

Sales & Earnings

	Revenues	Net Income #
1990	$ 12,256,000	$ (918,000)
1989	12,322,000	(4,718,000)
1988	12,222,000	(630,000)
1987	11,264,000	(1,153,000)
1986*	10,900,000	464,000

	No. of Com. Shares ‡	Earn. per Share #‡
1990	1,950,031	$ —
1989	1,907,102	—
1988	1,851,728	—
1987	1,910,706	—
1986*	1,468,470	0.30

(Loss)
* 11 months.
# Including extraordinary loss of $1,848,000 in 1989.
‡ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1990	1989
Instrumentation	$ 11,651,000	$ 11,560,000
Exploration services	605,000	762,000
Total	$ 12,256,000	$ 12,322,000

Common Stock Equity

	Total Equity ‡	Equity Per Share
1990	$ 10,326,000	$ 5.32
1989	11,198,000	5.77
1988	15,436,000	8.40
1987	16,348,000	8.64
1986	17,769,000	9.30

‡ After allowing for preferred stock at par value.

Income Account

Year ended Dec. 31.	1990	1989
Revenues	$ 12,256,000	$ 12,322,000
Cost of sales	7,420,000	8,242,000
Expenses	953,000	1,186,000
Depreciation	649,000	693,000
Interest income	(135,000)	(333,000)
Share of loss (inc.) of Unisearch	20,000	(10,000)
Write-off of unclaimed invest. tax credits	—	601,000
Write-down of invest. in other cos.	—	400,000
Loss before taxes	$ (925,000)	$ (2,897,000)
Tax credit	(7,000)	(27,000)
Net Loss	$ (918,000)	$ (2,870,000)
Extraord. loss	—	(1,848,000)
Net Loss & extraord. loss	$ (918,000)	$ (4,718,000)

Assets

As of Dec. 31	1990	1989
Cash & short-term deposits	$ 1,893,000	$ 1,117,000
Accts. receiv., net	2,475,000	3,145,000
*Inventories	4,853,000	4,368,000
Prepaid expenses	40,000	27,000
Current Assets	$ 9,261,000	$ 8,657,000
#Fixed assets	4,098,000	4,618,000
Other assets	263,000	283,000
Total Assets	$ 13,622,000	$ 13,558,000

Liabilities

Accts. payable	$ 1,405,000	$ 1,660,000
Customer deposits	1,563,000	372,000
Curr. Liabilities	$ 2,968,000	$ 2,032,000
+Preferred stock	328,000	328,000
++Common stock	12,333,000	12,271,000
Retained earnings (deficit)	(1,772,000)	(834,000)
For. curr. trans. adjust.	(235,000)	(239,000)
Total Liabilities Shareholders' Equity	$ 13,622,000	$ 13,558,000

* At lower of average cost (FIFO) and net relizable value.
# Less accumulated depreciation.
+ $1 par value; $0.06 cumulative.
++ No par value.

Statistical Summary

Working Capital	$ 6,293,000	$ 6,625,000
Current Ratio	3.12	4.26
Shareholders' Equity	$ 10,654,000	$ 11,526,000

Seagate Technology

920 Disc Drive
Scotts Valley, California 95066
(408) 438-6550
FAX: (408) 438-6172

Officers: Alan F. Shugart, chairman & chief exec. officer; David T. Mitchell, president & chief operating officer; Donald L. Waite, sr. v.p. & chief financial officer; Joe Chen, v.p.-engineering, Far East operations; Sanjoy Ghose, v.p.-product development; Gunter Heine, v.p.-Motor Division; James O. Jacques, v.p.-product development; Thomas W. Maher, v.p. & gen. mgr.-Seagate Magnetics; Robert E. Martell, v.p.-distribution sales; Anthony L. Perlick, v.p.-technical support; Robert A. Sandie, v.p.-domestic operations; Frederick B. Schudel, v.p.-Far East enginering; Ronald D. Verdoorn, v.p.; Calvin L. Reed, v.p.; Sing G. Tien, v.p.-Far East manufacturing; Thomas R. Dillon, v.p.-corp. materials; Stephen B. Greenspan, v.p.-process development; Ronald E. Brown, v.p.; David A. Drennan, v.p.; Clifford D. Edey, v.p.; John T. Haughey, v.p.; H. Lee Peterson, v.p.; Charles H. Smith, v.p.; James C. Allan, v.p.; Joseph C. Consoli, v.p.; Philip B. Detwiler, Jr., v.p.; Valerie A. Ellsworth, v.p.; Sanjoy Ghose, v.p.; Robert A. Kundtz, v.p.; Thomas W. Maher, v.p.; Charles Pope, v.p.; Jean-Pierre Robinot, v.p.; John Weinberg, v.p.; William R. Wichmann, v.p.; Kenneth D. Wing, v.p.

Directors: Alan F. Shugart, chairman; Gary B. Filler, Kenneth Haughton, Robert A. Kleist, David T. Mitchell, Thomas P. Stafford, Lawrence Perlman.

Areas of Work: Designs, manufactures and markets a line of rigid magnetic disc drives and related products for use in small computer systems.

Divisions:

Motor Division

Disc Drive Division

Subsidiaries:

Seagate Magnetics
Fremont, California
Produces sputtered thin-film media.

Seagate Substrates
Anaheim, California
A supplier of finished aluminum substrates.

Seagate Microelectronics
Livingston, Scotland
Designs and manufactures custom power semiconductors, which are used for motor control in disc drives.

Acquisition:

Imprimis Technology Incorporated
A manufacturer of rigid disc drives for computers.

Transfer Agent(s):

Bank of America
National Trust and Savings Association
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SGAT (NASDAQ)

Number of Employees:

1990	38,000	1987	16,000
1989	29,000	1986	8,900
1988	30,000		

Plant Footage:

1990	5,281,280 sq. ft.	1987	927,700
1989	2,963,589	1986	635,300
1988	1,537,890		

Sales & Earnings

	Net Sales	Net Income
1990	$ 2,413,178,000	$ 117,241,000
1989	1,371,568,000	349,000
1988	1,265,966,000	77,317,000
1987	958,065,000	139,741,000
1986	459,836,000	34,536,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	61,199,000	$ 1.92
1989	50,548,000	0.01
1988	50,187,000	1.54
1987	49,772,000	2.81
1986	48,182,000	0.72

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 675,298,000	$ 11.03
1989	442,477,000	8.75
1988	436,355,000	8.69
1987	353,964,000	7.11
1986	208,417,000	4.33

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended June 30	1990	1989
Net sales	$ 2,413,178	$ 1,371,568
Cost of sales	1,946,997	1,209,772
Products develop.	104,080	51,115
Mkt. & adm. expenses	175,729	97,726
Interest expense	48,628	23,219
Interest income	(18,248)	(9,220)
Other expense (income)	5,683	(1,516)
Income before taxes	$ 150,309	$ 472
Income taxes	33,068	123
Net Income	$ 117,241	$ 349

* Included in Costs and Expenses, Depreciation and Amortization: $140,791,000 in 1990 and $84,929,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash & cash equiv.	$ 262,905	$ 189,632
Accts. receiv., net	333,438	174,192
*Inventories	463,431	268,573
Other curr. assets	79,661	19,152
Current Assets	$ 1,139,435	$ 651,549

≠Fixed assets	537,191	382,128
Intangibles	129,470	4,230
Other assets	45,360	38,867
Total Assets	$ 1,851,456	$ 1,076,774

Liabilities

(000's)

Long-term debt, curr	$ 64,165	$ 2,229
Accts payable	242,928	157,796
Accrued compensation	77,193	30,004
Other accruals	147,983	64,589
Income taxes	18,027	10,494
Curr Liabilities	$ 550,296	$ 265,112
Long-term debt	510,234	305,391
Deferred inc taxes	83,511	63,794
Other liabilities	32,117	—
+ Common stock	635	500
Add paid-in capital	262,079	129,290
Deferred compensation	(18,360)	—
For curr trans	313	(703)
Retained earnings	430,631	313,390
Total Liabilities & Shareholders' Equity	$ 1,851,456	$ 1,076,774

* At lower of standard cost or market
≠ Less accumulated depreciation and amortization
+ $0.01 par value

Statistical Summary

%Income bef Taxes to Sales	6.23	0.03
%Net Income to Sales	4.86	0.03
%Net Income to Equity	17.36	0.08
Sales to Inventories	5.21	5.11
Debt to Equity	0.85	0.70
Working Capital	$ 589,139,000	$ 386,437,000
Current Ratio	2.07	2.46
Shareholders' Equity	$ 675,298,000	$ 442,477,000

Semicon, Inc.

10 North Avenue
Burlington, Massachusetts 01803
(617) 272-9015
FAX (617) 272-9109

Officers: Robert E House, chairman of the board; Harold W Mahar, Jr., president & chief executive officer; Richard C Allard, treasurer & v p -finance

Directors: Robert E House, chairman; Charles T Russell, Jr., Mary E Weber, Bruce W Everitt, Harold W Mahar, Jr., Douglas P Smith

Areas of Work: Engaged in the manufacture and sale of semiconductor devices such as rectifiers, zener diodes and transient suppressors. The company also specializes in custom assemblies for high voltage, power switching and transient suppressor applications.

Divisions and Subsidiaries:

Semicon Components, Inc
10 North Avenue
Burlington, Massachusetts 01803
(617) 272-9015

Semicon Ventures, Inc.
Burlington, Massachusetts
(617) 229-6290

Transfer Agent(s):

Continental Stock Transfer and Trust Co
(common stock)
72 Reade Street
New York, New York 10007

Fleet National Bank
(convertible debentures)
111 Westminster Street
Providence, Rhode Island 02903

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SEME (NASDAQ)

Number of Employees:

1990	119	1987	245
1989	150	1986	638
1988	215		

Plant Footage:

1990	30,000 sq ft	1987	N A
1989	60,000	1986	350,000
1988	60,000		

N A - Not Available

Sales & Earnings

	Net Sales +	Net Income †
1990	$ 10,015,000	$ (4,248,000)
1989	15,324,000	1,550,000
1988	15,665,000	(581,000)
1987	12,476,000	(11,348,000)
1986	13,104,000	(598,000)

	No of Com Shares ≠	Earn per Share †≠
1990	3,247,000	$ —
1989	3,107,000	0.50
1988	2,837,000	—
1987	2,839,000	—
1986	2,842,000	—

(Loss)
+ Of continuing operations only
† Including extraordinary gain of $119,000 ($0.04 per share) in 1989
≠ Based on the average number of shares outstanding

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ (3,488,000)	$ —
1989	727,000	0.23
1988	(1,486,000)	—
1987	(945,000)	—
1986	10,753,000	3.79

(Deficiency)

Income Account *

Year ended June 30	1990	1989
Net sales	$ 10,015,000	$ 15,324,000
Other income	234,000	157,000
Total income	$ 10,249,000	$ 15,481,000
Cost of sales	8,499,000	9,550,000
Expenses	2,987,000	3,611,000
Restruc expenses	2,328,000	—
Interest & debt expense	667,000	838,000
Inc (loss) bef taxes	$ (4,232,000)	$ 1,482,000
Income taxes	60,000	51,000
Inc (loss) - cont oper	$ (4,292,000)	$ 1,431,000
Inc - discont oper	44,000	—
Net Income (Loss)	$ (4,248,000)	$ 1,431,000
Extraord gain	—	119,000
Net Income (Loss) & extraord gain	$ (4,248,000)	$ 1,550,000

* Included in Costs and Expenses, Depreciation and Amortization: $634,000 in 1990 and $682,000 in 1989

Assets

As of June 30	1990	1989
Cash & cash equiv	$ 734,000	$ 988,000
Accts receiv , net	1,522,000	2,084,000
*Inventories	2,156,000	3,393,000
Other curr assets	68,000	102,000
Current assets	$ 4,480,000	$ 6,567,000
≠Fixed assets	674,000	2,531,000
Other assets	384,000	252,000
Total Assets	$ 5,538,000	$ 9,350,000

Liabilities

Note payable	$ 1,000	$ —
Long-term debt, curr	4,555,000	100,000
Accts payable & accruals	824,000	1,104,000
Accrued payroll	147,000	260,000
Accrued interest	246,000	246,000
Income taxes	42,000	80,000
Reserve for restruc costs	1,341,000	895,000
Net liab of discont oper	78,000	78,000
Curr Liabilities	$ 7,234,000	$ 2,763,000
Long-term debt	—	4,556,000
Net liab of discont oper	972,000	442,000
Other liabilities	820,000	862,000
+ Common stock	827,000	817,000
Add paid-in capital	45,000	22,000
Retained earnings (deficit)	(4,160,000)	88,000
Treasury stock	(200,000)	(200,000)
Total Liabilities & Shareholders' Equity	$ 5,538,000	$ 9,350,000

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.25 par value

Statistical Summary

%Income bef Taxes to Sales	—	9.67
%Net Income to Sales	—	9.34
Sales to Inventories	4.65	4.52
Working Capital	—	$ 3,804,000
Current Ratio	—	2.38
Shareholders' Equity (Deficiency)	$ (3,488,000)	$ 727,000

Semtech Corporation

652 Mitchell Road
Newbury Park, California 91320
(805) 498-2111
FAX (805) 498-3804

Officers: John D Poe, president, chief exec officer; Steven M Otterbeck, v p , chief financial officer, secretary & treasurer; Raymond E Bregar, vice president; Michael A Povey, v p & general mgr -Semtech Ltd ; Tom Lewis, vice president; Earl Hultz, Jr , v p -sales & marketing; James B Russell, v p & gen mgr -Semtech Corpus Christi; Gisela Auchter, asst secretary

Directors: John D Poe, Jim Burra, Rock N Hankin, Allen H Orbuch, Barry Rodgers

Areas of Work: Manufactures silicon rectifiers, rectifier assemblies, high-voltage monolithic capacitors and related devices which are used mainly to convert alternating current into direct current. These products are also used in electrical circuits to limit or regulate voltage or to protect other devices or systems by absorbing or diverting electrical energy

Subsidiaries:

Semtech Ltd
Newark Road South
Eastfield
Glenrothes, Fife KY74NS, Scotland

Semtech Corpus Christi
Corpus Christi, Texas

Transfer Agent(s):

First Interstate Bank
707 Wilshire Blvd.
Los Angeles, California 90017

Stock Exchange(s): American

Ticker Symbol: SMH

Sales & Earnings

	Net Sales	Net Income †
1991	$ 22,193,000	$ 452,000
1990	18,812,000	840,000
1989	19,130,000	1,681,000
1988	15,612,000	1,059,000
1987	11,924,000	179,000

	No. of Com. Shares	Earn. per Share † ‡
1991	4,211,946	$ 0.11
1990	4,184,746	0.20
1989	3,224,696	0.54
1988	2,891,416	0.38
1987	2,465,790	0.08

(Loss)
† Including extraordinary gain of $442,000 ($0.16 per share) in 1988.
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 11,611,000	$ 2.76
1990	10,942,000	2.61
1989	9,186,000	2.85
1988	7,292,000	2.52
1987	5,731,000	2.32

Income Account *

Year ended Jan. 31	1991	1990
Net sales	$ 22,193,000	$ 18,812,000
Cost of sales	15,097,000	12,714,000
Expenses		
Sell., gen. & adm.	5,424,000	4,640,000
Prod. develop. & eng.	557,000	390,000
Interest expense	316,000	312,000
Other expense (income)	140,000	(177,000)
Income before taxes	$ 659,000	$ 933,000
Income taxes	207,000	93,000
Net Income	$ 452,000	$ 840,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,430,000 in 1991 and $1,235,000 in 1990.

Assets

As of Jan. 31	1991	1990
Cash & cash invest.	$ 2,021,000	$ 2,035,000
Receiv., net	4,750,000	3,027,000
*Inventories	4,631,000	4,261,000
Other curr. assets	182,000	142,000
Current Assets	$ 11,584,000	$ 9,465,000
≠Fixed assets	5,130,000	5,253,000
Other assets	464,000	628,000
Total Assets	$ 17,178,000	$ 15,346,000

Liabilities

Long-term debt, curr.	$ 380,000	$ 378,000
Accts. payable	1,160,000	525,000
Accruals	1,858,000	997,000
Income taxes payable	115,000	180,000
Curr. Liabilities	$ 3,513,000	$ 2,080,000
Long-term debt	1,931,000	2,233,000
Deferred inc. taxes	123,000	91,000
+Common stock	57,000	57,000
Add. paid-in capital	7,460,000	7,433,000
Retained earnings	4,001,000	3,549,000
Currency transl. adj.	93,000	(97,000)
Total Liabilities & Shareholders' Equity	$ 17,178,000	$ 15,346,000

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.97	4.96
% Net Income to Sales	2.04	4.47
% Net Income to Equity	3.89	7.68
Sales to Inventories	4.79	4.41
Debt to Equity	0.20	0.24
Working Capital	$ 8,071,000	$ 7,385,000
Current Ratio	3.30	4.55
Shareholders' Equity	$ 11,611,000	$ 10,942,000

Sensormatic Electronics Corporation

500 N.W. 12th Avenue
Deerfield Beach, Florida 33442-1795
(305) 427-9700
FAX: (305) 428-9253

Officers: Ronald G. Assaf, chairman of the board, president & chief executive officer; James E. Lineberger, chairman of the executive committee; Michael E. Pardue, exec. v.p. & chief operating officer; William G. Weider, v.p.-customer service; Olin S. Giles, v.p.-engineering; Dennis C. Gillette, sr. v.p.; John Daut, v.p.-manufacturing; Anthony G. Guiliano, v.p.-industrial sales; Lawrence J. Simmons, v.p.-finance; Bradley P. Kane, v.p.-marketing; Albert R. Tate, Jr., v.p.-sales, Central/West; Robert Thomas, v.p.-national accounts; Miguel A. Flores, treasurer & secretary; Henry Wurtele, v.p.-sales, East/South; Gerd Witter, pres.-Senelco Europe.

Directors: Ronald G. Assaf, chairman; James E. Lineberger, Arthur G. Milnes, Jerome M. LeWine, John T. Ray, Jr.

Areas of Work: Primarily engaged in the business of manufacturing, marketing and servicing electronic article surveillance (EAS) systems and microprocessor-controlled closed-circuit television systems which are used to deter shoplifting and internal theft in retail stores as well as other security applications.

Subsidiaries:

Senelco France S.A.
Paris, France

Senelco (Benelux) S.A.
Brussels, Belgium

Senelco Austria
Handelszentrum 257
5101 Salzburg - Bergheim, Austria

Senelco Italia S.r.l.
Andrea Doria, 28sto 15
I-20124 Milan, Italy

Sensormatic Electronics Corp. (Puerto Rico)
Prideco T-1236
State Road No. 125
Moca 00716 Puerto Rico

Senelco NNederland B.V.
Houten, Netherlands

Senelco Asia/Pacific, Inc.
545 Orchard road ≠15-06
Far East Shopping Center
Singapore

Senelco Iberia S.A.
Marques de Monistrol 7
28011 Madrid, Spain

Senelco Portugal, LDA
Lisbon, Portugal

Senelco A.G.
Gewerbestrasse 8
P.O. Box 458
6330 Cham, Switzerland

Senelco GmbH
Dusseldorf, Germany

Senelco Limited
Dormey House, Upton Road
Slough, Berkshire, England, SL1 2AD
Distributes the Company's products in the U.K., Australia and New Zealand.

Senelco Pty. Ltd.
Sydney, Australia

Senelco (Hong Kong) Ltd.
Suite 1204, Shanghai Industrial Investment Bldg.
48-62 Hennesey Road
Hong Kong

Senelco (N.Z.) Ltd.
P.O. Box 37-700
Parnell, Auckland, New Zealand

Identitech Corporation
500 N.W. 12th Avenue
Deerfield Beach, Florida 33442
Formed to manufacture an advanced anti-theft electronic article surveillance product line for the protection of hard goods merchandise in retail and other markets.

Continental Instruments Corporation
Westbury, New York

Point of Sale Data Products, Inc.
9515 Harborview Drive N.W.
Gig Harbor, Washington 98335-0058
Distributes point-of-sale scanning devices and specializes in the supply of systems which are custom-interfaced to the customers' point-of-sale applications.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SNSR (NASDAQ)

Number of Employees:

1990	1,748	1987	939
1989	1,300	1986	1,046
1988	1,030		

Sales & Earnings

	Revenues	Net Income
1990	$ 191,267,000	$ 20,027,000
1989	150,904,000	16,688,000
1988	122,883,000	(10,612,000)
1987	95,294,000	11,149,000
1986	81,892,000	(5,974,000)

	No. of Com. Share	Earn. per Share ‡
1990	26,630,000	$ 0.72
1989	27,413,000	0.60
1988	27,605,000	—
1987	28,262,000	0.39
1986	27,982,000	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	0.185	—	—
1989	0.050	—	—
1988	0.050	—	—
1987	0.050	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 199,830,000	$ 7.50
1989	192,028,000	7.00
1988	179,556,000	6.50
1987	195,833,000	6.93
1986	182,344,000	6.52

Income Account

Year ended May 31	1990	1989
Revenues		
Sales	$ 153,640,000	$ 116,454,000
Rentals	22,300,000	21,659,000
Other	15,327,000	12,791,000
Total revenues	$ 191,267,000	$ 150,904,000
Cost of sales	79,786,000	61,656,000
Expenses	79,894,000	64,365,000
Depreciation	6,963,000	6,712,000
Int. income	(2,280,000)	(4,422,000)
Other expense	1,877,000	1,229,000
Income bef. taxes	$ 25,027,000	$ 21,364,000
Income taxes	5,000,000	4,400,000
Eq. in loss of affil	—	256,000
Inc.-cont. oper	$ 20,027,000	$ 16,708,000
Loss-discont. oper	—	(20,000)
Net Income	$ 20,027,000	$ 16,688,000

Assets

As of May 31	1990	1989
Cash	$ 26,885,000	$ 53,126,000
Accts. receiv. net	88,792,000	76,281,000
*Inventories	44,941,000	45,305,000
≠Fixed assets		
Revenue equip	24,833,000	19,297,000
Other	26,413,000	21,105,000
Patents	13,395,000	14,156,000
Costs in exc. of assets acq	24,755,000	15,884,000
Deferred charges & other assets	15,104,000	9,922,000
Total Assets	$ 265,118,000	$ 255,076,000

Liabilities

	1990	1989
Debt	$ 19,966,000	$ 15,539,000
Accts. payable	9,868,000	11,578,000
Accruals	21,784,000	18,622,000
Income taxes	7,131,000	11,858,000
Deferred income taxes	6,539,000	5,451,000
+Common stock	130,822,000	127,183,000
Retained earnings	97,199,000	82,146,000
Treasury stock	(27,143,000)	(14,362,000)
Foreign curr. trans	1,424,000	(361,000)
Notes receiv. - stock sale	(2,472,000)	(2,578,000)
Total Liabilities & Shareholders' Equity	$ 265,118,000	$ 255,076,000

* At lower of cost (FIFO) or market

≠ Less accumulated depreciation

+ $0.01 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	16.29	—
% Net Income to Sales	13.04	—
% Net Income to Equity	10.02	8.69
Sales to Inventories	3.42	2.57
Debt to Equity	0.10	0.08
Shareholders' Equity	$ 199,830,000	$ 192,028,000

Sequa Corporation

(formerly Sun Chemical Corporation)

200 Park Avenue
New York, New York 10166
(212) 986-5500
FAX: (212) 370-1969

Officers: Norman E. Alexander, chairman of the board & chief exec. officer; Stuart Z. Krinsly, sr. exec. v.p. & general counsel; Gerald S. Gutterman, exec. v.p.-finance & administration; William E. Morris, sr. v.p.-engineered services & automotive products; Harry Brill-Edwards, sr. v.p.-gas turbine operations; Dennis M. Libutti, sr. v.p.-machinery & metal coatings; Martin Weinstein, sr. v.p.-gas turbine operations; Ronald H. Wright, sr. v.p.-Kollsman; Monroe Adlman, v.p.-taxes; Joseph C. Allwarden, v.p.-Automotive Products; Donald S. Bunin, v.p.-engineering & environment; Daniel J. Marquitz, v.p.-marine transportation; Kenneth A. Drucker, v.p. & treasurer; John A. Cabrey, v.p.-specialty chemicals; William P. Ksiazek, v.p. & controller; Linda G. Kyriakou, v.p.-corp. communications; John J. Quicke, v.p.-financial services; Stanley W. Rosen, v.p.-industrial relations & personnel; Antonio L. Savoca, sr. v.p.-atlantic research operations; Richard P. Schneider, v.p.-corp. development; Ira Schreger, secretary; Jenny S. Kade, asst. treasurer; Ellen T. Harmon, assistant secretary.

Directors: Norman E. Alexander, chairman; A. Leon Fergenson, Raymond Frankel, Alvin Dworman, A. Leon Fergenson, Raymond Frankel, David S. Gottesman, Stuart Z. Krinsly, Donald D. Kummerfeld, Richard S. LeFrak, Fred R. Sullivan, Gerald Tsai, Jr.

Areas of Work: Manufactures and repairs components for gas turbine (jet) engines. Also manufactureselectronic and electro-opyical devices for military weapons, including night vision systems and aircraft fighter training units, avionics products including flight deck instruments and automated equipment test sets; medical equipment including automated blood analyzers; rocket motors and propellants for missiles; automotive cigarette lighters for cars, trucks and recreational vehicles; high speed equipment used to form two-piece food and beverage cans and to decorate two-piece cans; pump parts and primary cementing equipment for the petroleum industry; and specialty chemicals. The company is also engaged in marine transport and metal coating operations.

Divisions and Subsidiaries:

Gas Turbine Group

Chromalloy Gas Turbine Corporation
4430 Director Drive
P.O. Box 200150
San Antonio, Texas 78220
(512) 333-6010

Blaisdell Road
Orangeburg, New York 10962
(914) 359-4700

Kollsman

Kollsman Division
220 Daniel Webster Highway
Merrimack, New Hampshire 03054
(603) 889-2500

Kollsman Manufacturing Company
10 Columbia Drive
Amherst, New Hampshire 03031
(603) 880-7746

Atlantic Research Corporation
5390 Cherokee Avenue
Alexandria, Virginia 22312
(703) 642-4000

Aerospace Group
5390 Cherokee Avenue
Alexandria, Virginia 22312
(703) 642-4000

Arkansas Propulsion Division
P.O. Box 1036
Highland Industrial Park
Camden, Arkansas 71701
(501) 574-0610

Virginia Propulsion Division
5945 Wellington Road
Gainesville, Virginia 22065
(703) 642-6000

Defense Systems Division
1375 Piccard Drive
Rockville, Maryland 20850
(301) 670-2000

C3I Systems Division
2440 Research Boulevard
Rockville, Maryland 20850
(301) 258-5300

Information Systems Division
2440 Research Boulevard
Rockville, Maryland 20850
(301) 258-5300

Machinery and Metal Coatings

Rutherford Machinery Division
401 Central Avenue
East Rutherford, New Jersey 07073
(201) 933-1200

Materials Equipments Graphiques
32-34 rue des Malines
Z.I. Les Malines
91 Lisses-Evry, France
(33-1)64977575

Precoat Metals Division
4301 S. Spring Avenue
St. Louis, Missouri 63116
(314) 352-8000

Standun Canforming Systems
2943 East Las Hermanas Street
Rancho Dominguez, California 90221
(213) 537-5230

Transportation

Marine Transportation Group

The Valley Line Company
120 South Central Avenue
St. Louis, Missouri 63015
(314) 889-0100

Sabine Towing and Transportation Co.
7200 Highway 87
Port Arthur, Texas 77642
(409) 962-0201

Specialty Chemicals

Sequa Chemicals, Inc.
One Sequa Drive
Chester, South Carolina 29706
(803) 385-5181

Warwick International Limited
Wortley Moor Road
Leeds LS12 4JE, England
44-0532 637331

Automotive Parts

Casco Products Corporation
512 Hancock Avenue
Bridgeport, Connecticut 06605
(203) 366-4511

Sequa Engineered Services

Financial Services

Sequa Capital Corporation
420 Lexington Avenue
New York, New York 10170
(212) 983-4250

SunRise Insurance Limited
Collymore Rock
Bridgetown, Barbados, West Indies
(809) 426-1442

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): New York

Sequa Corporation

Ticker Symbol: SQA A, SQA B and SQA PF

Number of Employees:

1990	18,500	1987	16,800
1989	17,700	1986	15,700
1988	16,115*		

*Continuing operations only.
N.A. - Not Available

Sales & Earnings

	Revenues + (000's)	Net Income (000's)
1990	$ 1,858,000	$ 32,700
1989	1,602,100	55,900
1988	1,742,700	68,600
1987	1,170,700	47,200
1986	376,300	160,100

	No. of Com. Shares	Earn. per Share #
1990	10,915,000	$ 3.03
1989	10,915,000	5.10
1988	10,915,000	6.04
1987	10,926,000	3.95
1986	10,827,000	19.90

+ Of continuing operations only.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1990	1989
Aerospace	$ 1,328,905	$ 1,136,101
Machinery & metal coatings	236,322	232,624
Transportation	138,303	145,143
Specialty chemicals	201,171	141,296
Prof. serv. & other	246,639	248,699
Financial services	59,684	55,292
Total	$ 2,211,024	$ 1,959,155

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.10	—	—
1989	1.10	—	—
1988	1.10	—	—
1987	1.10	—	—
1986	0.48	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1990	$ 690,017,000	$ 63.22
1989	673,451,000	61.70
1988	667,320,000	61.14
1987	640,832,000	58.65
1986	598,434,000	55.27

† After allowing for preferred stock at involuntary liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,858,012	$ 1,602,118
Operating revenues	293,328	301,745
Fin. services revenues	59,684	55,292
Total income	$ 2,211,024	$ 1,959,155
Cost of sales	1,391,220	1,223,814
Cost of oper. revenues	264,003	239,457
Cost of fin. serv. rev.	45,108	32,166
Expenses	364,172	269,072
Interest expense	70,227	60,942
Interest income	(8,756)	(5,059)
Loss on sale of minority int.	—	15,109
Other expense	11,645	12,146
Inc. bef. taxes	$ 73,405	$ 111,508
Income taxes	40,740	51,000
Inc.-cont. oper.	$ 32,665	$ 60,508
Loss-discont. oper.	—	(4,637)
Net Income	$ 32,665	$ 55,871

* Included in Costs and Expenses, Depreciation and Amortization: $100,873,000 in 1990 and $83,399,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 46,862	$ 83,303
Short-term invest.	3,846	3,585
Receivables, net	267,905	229,830
Unbilled receivables	159,453	151,226
*Inventories	331,277	305,530
Invest. in leasing asset	70,184	59,586
Assets-discont. oper.	5,856	31,462
Other curr. assets	55,849	80,093
Curr. Assets	$ 941,232	$ 944,615
Investments	538,320	453,392
#Fixed assets	631,520	527,019
Exc. of cost over assets acq.	382,570	395,219
Defer. charges	23,111	24,061
Total Assets	$ 2,516,753	$ 2,344,306

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 24,501	$ 45,994
Accts. payable	171,373	169,387
Income taxes	19,803	34,831
Accrued expenses	233,057	217,525
Curr. Liabilities	$ 448,734	$ 467,737
Long-term debt	1,100,668	922,842
Deferred inc. taxes	79,149	66,711
Other liabilities	171,826	182,239
+Preferred stock	797	797
++Common stock	10,915	10,915
Add. paid-in capital	299,971	301,165
Cum. trans. adjust.	24,288	462
Retained earnings	488,456	464,710
Treasury stock	(108,051)	(73,002)
Total Liabilities & Shareholders' Equity	$ 2,516,753	$ 2,344,306

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ $1 par value, $5 cumulative convertible.
++ No par value.

Statistical Summary

% Income bef. Taxes to Sales	3.95	—
% Net Income to Equity	1.76	—
% Net Income to Equity	4.56	7.92
Sales to Inventories	5.61	5.24
Debt to Equity	1.57	1.37
Working Capital	$ 492,498,000	$ 476,878,000
Current Ratio	2.10	2.02
Shareholders' Equity	$ 716,176,000	$ 705,047,000

SFE Technologies

1501 First Street
San Fernando, California 91340-2793
(818) 361-1176
FAX: (818) 365-5117

Officers: William P. Kuehn, chairman of the board & chief exec. officer; Jerome J. Jahn, exec. v.p., chief financial officer & secretary; Michael A. Rosenberg, president & chief operating officer.

Directors: William P. Kuehn, chairman; Jerome J. Jahn, Oren Lane, Richard H. Green.

Areas of Work: Designs, manufactures and markets passive electronic components, including multi-layer ceramic capacitors and wound-film capacitors, magnetic components and frequency interference filters. The products are used in telecommunications, consumer electronics, data processing, automotive and aerospace applications. The Company also designs and produces circuit assemblies utilizing surface mount technology (SMT).

Division:

San Fernando Electric Division
1501 First Street
San Fernando, California 91340
(818) 365-9411

Manufactures multilayer ceramic capacitors and a broad range of EMI/RFI filters.

Subsidiary:

Orchard Electronics, Inc.
9280 Davidson Highway
Concord, North Carolina 28025
(704) 786-0100

Designs and produces circuit assemblies featuring surface mount technology.

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SFEM (NASDAQ)

Number of Employees:

1990	750	1987	1,480
1989	980	1986	1,500
1988	1,150		

Plant Footage:

1990	172,000 sq. ft.	1987	313,000
1989	280,000	1986	313,000
1988	280,000		

Sales & Earnings

	Net Sales	Net Income †
1990	$ 25,658,000	$ (11,569,000)
1989	30,409,000	(9,713,000)
1988	36,182,000	(4,268,000)
1987	39,482,000	(5,666,000)
1986	42,672,000	(15,889,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	7,055,000	$ —
1989	6,774,000	—
1988	6,656,000	—
1987	6,804,000	—
1986	6,282,000	—

(Loss)
† Including extraordinary gain of $683,000 in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ (3,644,000)	$ —
1989	7,836,000	1.16
1988	17,336,000	2.60
1987	21,311,000	3.23
1986	26,709,000	4.25

(Deficiency)
+ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *

Year ended Oct. 31	1990	1989
Net sales	$ 25,658,000	$ 30,409,000
Cost of sales	25,046,000	24,787,000
Expenses	5,819,000	6,452,000
Other expense	1,522,000	363,000
Interest expense	1,490,000	1,520,000
Prov. for loss on disp. of division	2,600,000	—
Prov. for disposal of exc. inventory	750,000	7,000,000
Net Loss	$ (11,569,000)	$ (9,713,000)

* Included in Costs and Expenses, Depreciation and Amortization: $2,462,000 in 1990 and $2,697,000 in 1989

Assets

As of Oct. 31	1990	1989
Cash	$ 541,000	$ 230,000
Accts. receiv., net	4,747,000	6,324,000
*Inventories	6,930,000	10,203,000
Prepaid expenses	10,000	25,000
Current Assets	$ 12,228,000	$ 16,782,000
#Fixed assets	10,342,000	13,145,000
Note receivable	19,000	1,723,000
Other assets	550,000	564,000
Total Assets	$ 23,139,000	$ 32,214,000

Liabilities

	1990	1989
Long-term debt, curr.	$ 14,280,000	$ 14,829,000
Bank loans and other debt	1,202,000	765,000
Accts. payable	5,144,000	4,107,000
Other accrued expenses	5,745,000	3,648,000
Curr. Liabilities	$ 26,371,000	$ 23,349,000
Long-term debt	246,000	381,000
Deferred comp.	166,000	101,000
Other liabilities	—	547,000
+ Common stock	7,236,000	6,851,000
Add. paid-in capital	39,910,000	40,206,000
Ret. earnings (deficit)	(50,113,000)	(38,544,000)
Reduc. of stock equity applic. to empl. compen. plans	(677,000)	(677,000)
Total Liabilities & Shareholders' Equity	$ 23,139,000	$ 32,214,000

* At lower of standard cost or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

	1990	1989
Sales to Inventories	3.70	2.98
Debt to Equity	—	2.04
Shareholders' Equity (Deficiency)	$ (3,644,000)	$ 7,836,000

Sharp Corporation

22-22, Nagaike-cho
Abeno-ku
Osaka 545, Japan

Officers: Haruo Tsuji, president; Taizo Katsura, sr. exec. v.p.; Atsushi Asada, sr. exec. v.p.; Katsuhiko Ida, sr. exec. director; Kozo Hayashi, sr. exec. director; Yutaka Wada, sr. exec. director; Ichiro Fujimoto, sr. exec. director; Tadahiko Ishino, exec. director; Minoru Miyuki, exec. director; Kiyoshi Sakashita, exec. director; Kazuo Kubo, exec. director; Ichiro Tochigi, exec. director; Ichiro Tochigi, exec. director; Katsuhik Machida, exec. director.

Areas of Work: Optoelectronics Technology: The Company has developed a high-definition TFT active matrix color liquid crystal display, ushering in the age of liquid crystal image devices. The Company developed a thin-film crystal EL panel, with high definition comparable to that of a liquid crystal display. Sharp solar cells are employed in ground-based applications such as unattended lighthouses and telemetering stations; consumer electronics such as desk-top calculators and battery chargers; and artificial satellites. Other optical devices include laser diodes, production of which is among the largest in the world, rewritable magneto-optical disks, LEDs, CCDs, OPIC light-receiving devices, photo couplers, and photo diodes. The Company has developed a 14-inch color LCD and a 100-inch LCD projector. The Company is developing a three-dimensional circuit consisting of many layers of circuitry with an imaging sensor in the uppermost layer.

TV and Video Systems Group: The Company manufactures color TVs, VCRs, and camcorders. The Company has developed a 12x zoom camcorder, a 46-inch projection TV and large-screen audiovisual TVs with the superior resolution of 750 horizonal lines (via video input terminal).

Audio systems group: The Company manufactures Compact Disc related products, mainly radio cassette tape recorders and stereos and telephones. The Company is developing multi-feature product lines, such as CD-cassette radios, CD stereo systems, and headphone stereo units with high-quality sound and multiple editing functions and by combining these ranges with visual units. The division also commercialized and expanded sales of low-power cordless telephones while creating a greater variety of multi-function message-taking machines with high added value.

Appliances Systems Group: The Company manufactures seasonal products, such as home air conditioners and kerosene fan heaters and the major white products -- washing machines and vacuum cleaners. The Company has developed inverter microwave ovens and grill microwave ovens with rotisseries.

Information systems group/printing and reprographic systems group: The Company offers a wide variety of products ranging from information-related tools for personal use to office systems, POS systems, and factory automation; electronic organizers and facsimile machines. The Company offers the integrated information system SS-NET, which implements bi-directional rapid transmission of voices, images and data over telephone lines, and an English-to-Japanese machine translation system capable of reading with an OCR. The Company is also offering more color office automation equipment, such as high-quality, full-color plain paper copiers, color scanners with high resolution, and color word processors.

Integrated circuits group: The Company is a supplier of masked read-only memories (ROMs), and promotes 1-, 2-, and 4-megabit versions of masked ROMs, as well as surface-mounting versions and other new kinds of dynamic and static random access memories (DRAMs and SRAMs). Advanced microprocessors that enable parallel processing were a chief focus of the Company's vigorous R&D in ICs.

Electronic components group: The Company broadened the applicability of LCDs by incorporating original double super twist liquid crystal technology in a large dot-matrix LCD for personal computers and other office equipment. In addition, the Company introduced a high-resolution color LCD unit that has supported advances in liquid crystal TVs and VCRs.

Domestic subsidiaries:

Sharp Electronics Sales Corporation

Sharp Finance Corporation

Sharp System Products Co., Ltd.

Sharp Precision Machinery Co., Ltd.

Nishi-Nippon Sharp Equipment Aparatas Co., Ltd.

Sharp Engineering Corporation

Sharp System Service Co., Ltd.

Sharp Niigata Electronics Corporation

Foreign subsidiaries:

Sharp Electronics Corporation (New Jersey, U.S.A.)

Sharp Electronics (Europe) GmbH. (Hamburg, F.R. Germany)

Sharp Electronics (U.K.) Limited (Manchester, U.K.)

Sharp Corportion of Australia Pty. Ltd. (New S.Wales, Aust.)

Sharp Electronics of Canada Ltd. (Ontario, Canada)

Stock Exchange(s): Tokyo, Osaka, Paris, Luxembourg, Zurich, Basel, Geneva.

Number of Employees:

1990	34,017	1987	29,346
1989	32,298	1986	28,873
1988	29,351		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	¥1,344,799,000	¥ 41,720,000
1989	1,238,401,000	29,103,000
1988	1,077,836,000	20,341,000
1987	1038,355,000	20,775,000
1986	1,149,085,000	35,935,000

	No. of Com. Shares	Earn. per Share +
1990	1,054,359,000	¥ 41.51
1989	949,634,000	31.07
1988	907,914,000	23.42
1987	736,924,000	25.22
1986	733,208,000	43.85

¥ - Yen
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥11.00	—	—
1989	11.00	—	—
1988	11.00	—	—
1987	11.00	—	—
1986	11.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	¥ 685,351,000	¥ 650.02
1989	534,758,000	563.12
1988	477,925,000	526.40
1987	390,107,000	529.37
1986	379,471,000	517.55

Income Account *
(millions)

Year ended Mar. 31	1990	1989
Net sales	¥ 1,344,799	¥ 1,238,401
Other income	23,117	20,497
Total income	¥ 1,367,916	¥ 1,258,898

Cost of sales		971,527		943,063
Expenses		307,457		262,093
Interest income		(73,061)		(71,342)
Interest expense		58,185		58,086
Gain on sale of securities		(589)		(2,637)
Bond issuance cost		4,417		—
Other expense (income)		(61,000)		2,612
For. curr. trans.		6,510,000		(1,563)
Income before taxes	¥	93,511	¥	68,586
Income taxes		51,791		39,483
Net Income	¥	41,720	¥	29,103

* Included in Costs and Expenses, Depreciation and Amortization: ¥ 75,032,000,000 in 1990 and ¥ 68,449,000,000 in 1989.

Assets
(millions)

As of Mar. 31		1990		1989
Cash & cash equiv.	¥	104,683	¥	87,521
Time deposits		70,611		100,735
Short-term invest		539,626		451,087
Accts. receiv., net		459,379		387,814
*Inventories		237,408		224,762
Other curr. assets		32,007		28,610
Current Assets	¥	1,443,714	¥	1,280,529
#Fixed assets		338,966		292,757
Investments & other assets		230,686		174,809
For. curr. trans. adjust		19,232		16,567
Total Assets	¥	2,032,598	¥	1,764,662

Liabilities
(millions)

Short-term debt & long-term debt, curr	¥	578,531	¥	683,578
Notes & accts. payable		369,472		332,567
Accruals		70,754		55,128
Income taxes		26,396		20,923
Other current liabilities		35,696		28,378
Current Liabilities	¥	1,080,849	¥	1,120,574
Long-term debt		247,515		96,075
Est. term. & retire. allow.		7,741		8,402
Other liabilities		11,142		4,853
+Common stock		166,110		109,128
Add. paid-in capital		244,788		188,063
Legal reserve		11,305		10,200
Retained earnings		263,171		227,684
Treasury stock		(23)		(517)
Total Liabilities & Shareholders' Equity	¥	2,032,598	¥	1,764,662

* At lower of moving average cost or market, in Japan. At, lower of cost (FIFO) or market overseas.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.95	5.54
% Net Income to Sales	3.10	2.35
% Net Income to Equity	6.09	5.44
Sales to Inventories	5.66	5.51
Debt to Equity	1.21	1.46
Working Capital (000's)	¥ 362,865,000	¥ 159,955,000
Current Ratio	1.34	1.14
Shareholders Equity (000's)	¥ 685,351,000	¥ 534,758,000

Sheldahl, Inc.

1150 Sheldahl Road
P.O. Box 170
Northfield, Minnesota 55057
(507) 663-8000
FAX: (507) 663-8365

Officers: James S. Womack, chairman & chief executive officer; James E. Donaghy, president & chief executive officer; James H. Kessler, Jr., v.p.-finance & asst. secretary; Richard J. Slater, sr. v.p.-business development; Roger D. Quam, v.p.-marketing & Northfield West operation; Edward L. Lundstrom, v.p.-sales & marketing; Gerald E. Magnuson, secretary; Beverly M. Brumbaugh, v.p.-human resources & corp. excellence; John V. McManus, controller; Gregory D. Closser, dir.-corp. excellence; Ronald G. Rumpsa, corp. dir. of materials; Mark A. Ester, mgr.-external relations.

Directors: Gerald E. Magnuson, John P. Robinson, Richard S. Wilcox, James S. Womack, John G. Kassakian, Wesley M. Mader, James E. Donaghy, Kenneth J. Roering.

Areas of Work:

Provides technological services and manufacturing to customer specifications; manufactures electrical materials, flexible circuitry, electronic connectors and terminals. Operations are conducted in the following major areas:

Electronic Materials/Engineered Products

Flexible electronic materials are the "raw materials" from which flexible circuits are made. For the most part, they are laminates of metallic foils - commonly copper - bonded to a variety of dielectric substrates as well as coverlay materials to insulate the complete circuit. Both the electronic materials and coverlays are produced by Sheldahl in industrial size rolls, ready for conversion into flexible circuitry components.

Engineered products include aerostats for telecommunications, a "padeye" systems for transloading ships at sea, helicopter blade liners, special fabrications, tambour covers, splicing tapes, coated products, tapes and laminated, and vacuum metalized materials.

Flexible Circuits/Membrane Switches

Flexible circuits are preassembled "interconnect" products - generally free of defects and adaptable to a constantly growing number of applications. Because they are indeed flexible, they can conform to almost any configuration on multiple planes, while retaining their electrical/electronic function. Typical applications for flex circuits include telephones and communication switching equipment, computer memory storage systems, cameras, hand-held calculators, automobiles and medical instrumentation.

Sheldahl's FLEXSWITCH membrane switches make up the company's newest product line - for the membrane switch keyboard market. In composition, the FLEXSWITCH keyboard consists of a three-layer polyester film sandwich bonded together by means of a special Sheldahl proprietary adhesive. A flexible circuit, an integral part of the membrane switch, provides interconnection. Typical applications for FLEXSWITCH include electronic educational devices, control panels for washers and dryers, medical instrumentation control panels, automotive electronics and plain paper copiers.

Through its Nashua operation, the Company manufactures single-side, double-sided, sculptured, multi-layer, ridig-flex circuitry and assemblies for military and commercial applications.

Operations:

Northfield East operation
805 North Highway 3
Northfield, Minnesota 55057-0170

Northfield West operation
1150 Sheldahl Road
Northfield, Minnesota 55057-0170

Orange County operation
15771 Redhill Avenue
Tustin, California 92680-7303

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
Minneapolis, Minnesota

Stock Exchange(s): Over the Counter

Ticker Symbol: SHEL (NASDAQ)

Number of Employees:

1990	1,396	1987	N.A.
1989	1,407	1986	700
1988	1,257		

Plant Footage:

1990	400,000 sq. ft.	1987	N.A.
1989	525,000	1986	405,000
1988	465,000		

N.A. - Not Available

Sales & Earnings

		Net Sales +		Net Income ‡
1990	$	97,102,784	$	21,691
1989		86,579,000		(1,652,797)
1988*		83,885,000		1,020,462
1987		79,878,000		676,738
1986		54,212,000		620,778

	No. of Com. Shares #		Earn. per Share ‡ #
1990	4,731,080	$	—
1989	4,684,733		—
1988*	4,665,783		0.22
1987	4,335,586		0.16
1986	4,132,716		0.15

(Loss)
* 53 weeks.
+ Of continuing operations only.
‡ Including extraordinary gain of $1,004,000 ($0.21 per share) in 1988.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

		1990		1989
Computer & office equipment	$	28,972,000	$	22,852,000
Aerospace & defense		30,410,000		28,635,000
Industrial & instrumentation		8,787,000		8,168,000
Automotive		18,102,000		13,926,000
Consumer		8,255,000		11,090,000
Other		2,577,000		1,908,000
Total	$	97,103,000	$	86,579,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2

Common Stock Equity

		Total Equity		Equity Per Share #
1990	$	24,254,354	$	5.13
1989		24,232,663		5.17
1988		25,744,391		5.52
1987		24,579,535		5.67
1986		18,662,111		4.52

Base on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*

Year ended Aug. 31	1990	1989
Net sales	$ 97,102,784	$ 86,579,381
Cost of sales	80,390,038	76,256,043
Expenses	12,068,681	12,087,963
Interest expense	1,438,974	1,068,172
Restruc expenses	3,200,000	—
Inc (loss) bef taxes	$ 5,091	$ (2,832,797)
Tax credit	(16,600)	(1,180,000)
Net Income (Loss)	$ 21,691	$ (1,652,797)

* Included in Costs and Expenses, Depreciation and Amortization: $4,628,722 in 1990 and $4,753,933 in 1989.

Assets

As of Aug. 31	1990	1989
Cash	$ 1,303,439	$ 373,591
Accts recers , net	14,732,423	15,033,319
Tax refund recerv	—	1,280,000
*Inventories	11,010,835	11,782,322
Tax benefits	1,458,001	615,000
Prepaid expenses	401,111	838,715
Net assets held for sale	1,818,651	589,585
Current Assets	$ 30,724,460	$ 30,512,532
# Fixed assets	24,447,280	24,642,499
Other assets	1,157,656	810,527
Total Assets	$ 56,329,396	$ 55,965,558

Liabilities

	1990	1989
Long-term debt, curr	$ 1,210,000	$ 1,314,067
Accts payable	5,818,885	7,438,940
Accrued payroll	2,369,139	2,425,202
Other accruals	4,109,018	3,568,686
Inc taxes pay	253,000	—
Curr Liabilites	$ 13,760,042	$ 14,746,895
Long-term debt	14,470,000	13,780,000
Deferred inc taxes	3,845,000	3,206,000
+ Common stock	1,173,777	1,173,777
Add paid-in capital	7,102,957	7,102,957
Retained earnings	15,977,620	15,955,929
Total Liabilites & Shareholders' Equity	$ 56,329,396	$ 55,965,558

* At lower of cost (LIFO) or market
# Less accummmulated depreciation
+ $0.25 par value

Statistical Summary

	1990	1989
% Income bef Taxes to Sales	0.01	—
% Net Income to Sales	0.02	—
% Net Income to Equity	0.09	—
Sales to Inventories	8.82	7.35
Debt to Equity	0.65	0.62
Working Capital	$ 16,964,418	$ 15,765,637
Current Ratio	2.23	2.07
Shareholders' Equity	$ 24,254,354	$ 24,232,663

SI Handling Systems, Inc.

Kesslersville Road
P.O. Box 70
Easton, Pennsylvania 18042
(215) 252-7321
FAX (215) 250-9677

Officers: L. Jack Bradt, chairman of the board; Leonard S. Yurkovic, president & chief executive officer; Joseph Walsh, secretary; Richard G. Modery, v.p.-marketing, field operations & sales; James L. Thatcher, v.p.-operations.

Directors: James E. Pruitt, L. Jack Bradt, Karl-Henry Bergkvist, Leonard S. Yurkovic, Thomas P. Latimer

Areas of Work: Designs, manufactures, sells and installs mechanized and automated material handling and order selection systems under mechanical, electronic and computer control.

Transfer Agent(s):

American Stock Transfer & Trust Company
40 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SIHS (NASDAQ)

Number of Employees:

1991	136	1988	159
1990	151	1987	205
1989	152		

Plant Footage:

1991	172,000 sq. ft.	1988	172,000
1990	172,000	1987	172,000
1989	172,000		

Sales & Earnings

	Net Sales	Net Income
1991	$ 18,035,000	$ 116,000
1990	17,534,000	574,000
1989	21,846,000	529,000
1988	21,426,000	(1,278,000)
1987	19,280,000	(1,984,000)

	No. of Com. Shares	Earn. per Share ‡
1991	1,467,519	$ 0.08
1990	1,467,519	0.39
1989	1,467,519	0.36
1988	1,467,519	—
1987	1,467,519	—

( ) Loss
‡ Based on the weighted average number of common shares and common equivalent shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ —	—	—
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1991	$ 5,842,000	$ 3.98
1990	5,726,000	3.90
1989	5,152,000	3.51
1988	4,623,000	3.15
1987	5,943,000	4.05

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*

Year ended	3/3/91	2/25/90
Net sales	$ 18,035,000	$ 17,534,000
Cost of sales	13,725,000	12,661,000
Expenses	4,045,000	3,656,000
Research & develop	304,000	668,000
Interest expense	107,000	130,000
Interest income	(370,000)	(323,000)
Other expense	108,000	168,000
Net Income	$ 116,000	$ 574,000

* Included in Costs and Expenses, Depreciation and Amortization: $389,000 in 1990 and $382,000 in 1989.

Assets

As of	3/3/91	2/25/90
Cash & cash equiv	$ 3,729,000	$ 2,245,000
Recers , net	1,364,000	4,723,000
Costs in exc. of billings	1,054,000	834,000
*Inventories	1,349,000	1,866,000
Prepaid expenses	272,000	184,000
Current Assets	$ 7,768,000	$ 9,852,000
# Fixed assets	1,802,000	1,808,000
Other assets	401,000	273,000
Total Assets	$ 9,971,000	$ 11,933,000

Liabilities

	3/3/91	2/25/90
Long-term debt, curr	$ 425,000	$ 417,000
Accts payable	1,309,000	1,762,000
Cust deposits	913,000	2,018,000
Accrued payroll	264,000	347,000
Income taxes payable	106,000	56,000
Other accruals	616,000	686,000
Curr Liabilities	$ 3,633,000	$ 5,286,000
Long-term debt	496,000	921,000
+ Common stock	1,527,000	1,527,000
Add paid-in capital	4,353,000	4,353,000
Retained earnings	355,000	239,000
Treasury stock	(393,000)	(393,000)
Total Liabilities & Shareholders' Equity	$ 9,971,000	$ 11,933,000

* At lower of cost (average) or replacement market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

	3/3/91	2/25/90
% Net Income to Sales	0.64	3.27
% Net Income to Equity	1.99	10.02
Sales to Inventories	13.37	9.40
Debt to Equity	0.16	0.23
Working Capital	$ 4,135,000	$ 4,566,000
Current Ratio	2.14	1.86
Shareholders' Equity	$ 5,842,000	$ 5,726,000

Siemens AG

Wittelsbacherplatz 2
D-8000 Munich 2, Federal Republic of Germany
(89) 234-0
FAX (89) 234-4242

Managing Board: Karlheinz Kaske, president & chief executive officer; Klaus Barthelt, power transmission & distribution; Karl-Hermann Baumann, corporate finance; Hans Baur, public communications; Hermann Franz, corporate planning & development; Claus Kessler, corporate production & logistics; Gerhard Kuhne, corporate personnel; Horst Langer, industrial and building systems; Hans-Gerd Neglein, Audio and video systems; Hans Gunter Danielmeyer, corp. research & development; Erwin N. Hardt, public communications network; Hans Hirschmann, power generation; Wolfgang Keller, power generation; Eberhard Kill, industrial and building systems; Jurgen Knorr, semiconductors; Werner Maly, medical engineering; Anton Peisl, corp. relations; Heinrich von Pierer, power generation; Peter von Siemens, central services Munich; Carl-Heiner Thomas, drives & standard products. rn, KWU; Werner Trassl, KWU

Areas of Work: The Company's Components Group manufactures integrated circuits, discrete semiconductors, passive components, electron tubes, and gas lasers. The Energy and Automation Group provides instrumentation and automation products and systems for industry, utilities, transportation and public authorities. The Electrical Installations and Automotive Systems Group manufactures power cables, installation equipment and lighting systems, electricity meters and heating/air conditioning systems, automotive systems, and provides electrical contracting services. The Communication and Information Systems Group manufactures communications terminals, private communications systems and networks, data systems, and laser printers. The Medical Engineering Group provides X-ray systems, cross-sectional imaging systems and therapy, electromedical systems, dental equipment, and hearing instruments. The Telecommunication Networks and Security Systems Group provides public communication networks, safety and security systems, and manufactures optical fiber cables. The Company is also involved in research and development activities.

Subsidiaries (West Germany):

Osram Gmbh
Berlin and Munich
Dr.-Ing. Rudolf Hell GmbH, Kiel
Vacuumschmelze GmbH, Hanau
Reaktor-Brennelement Union GmbH, Hanau
Interatom GmbH, Bergisch Gladbach
Heimann GmbH, Wiesbaden
Rofin-Sinar Laser GmbH, Hamburg
NRG Nuklearrohr-Gesellschaft mbH, Duisburg

United States Subsidiaries:

Siemens Corporation
New York, New York

Siemens Communication Systems, Inc
Boca Raton, Florida

Siemens Information Systems, Inc
Boca Raton, Florida

Siemens Energy & Automation, Inc
Atlanta, Georgia

Siemens Medical Systems, Inc
Iselin, New Jersey

Siemens Components, Inc
Iselin, New Jersey

Siemens KWU, Inc
New York, New York

Siemens-Bendix Automotive Electronics L.P.
Southfield, Michigan

Associated Companies:

Goldstar Telecommunications Co. Ltd
(20% interest)
Seoul, South Korea

Osram-GEC Ltd
(49% interest)
Wembley, England

Siecor Corporation
(50%-owned)
Hickory, North Carolina

Acquisitions:

Nixdorf Computer AG (78%-owned)
(renamed Siemens Nixdorf Informations systeme AG)

Duewag Aktiengesellschaft
Krefeld-Uerdingen

The Plessey Company plc
Ilford, Essex, England

Siemens Plessey Electronic Systems Ltd
Chessington, Surrey, England

Siemens Controls Ltd
Poole, Dorset, England

NOTE: The Siemens share is listed on all eight German Stock exchanges and on seven other European exchanges.

Number of Employees:

1990	373,000	1987	359,000
1989	365,000	1986	363,000
1988	353,000		

Sales & Earnings x

	Revenues (000's)	Net Income (000's)
1990	DM 63,185,000	DM 1,668,000
1989	61,128,000	1,577,000
1988	59,374,000	1,391,000
1987	51,431,000	1,275,000
1986	52,234,000	1,474,000

	No. of Com. Shares	Earn. per Share
1990	51,243,669	DM 32.55
1989	48,874,861	32.27
1988	48,028,664	28.96
1987	47,678,000	26.74
1986	47,111,013	31.29

x - Worldwide operations
DM - Deutsche Mark

Revenues by Line of Business
(000's)

	1990	1989
Power generation	DM 5,812,000	DM 5,955,000
Power transmiss. & distr.	4,950,400	4,690,000
Industrial & bldg. syst.	7,577,000	6,853,000
Drives & stand. prods.	6,279,000	5,650,000
Automation	5,548,000	4,940,000
Data & info. syst.	7,690,000	6,030,000
Private commun. syst.	4,820,000	4,460,000
Public commun. networks	9,071,000	8,142,000
Defense electronics	1,073,000	882,000
Transportation syst.	1,158,000	1,060,000
Automotive syst.	1,819,000	1,676,000
Medical engineering	6,580,000	6,185,000
Semiconductors	1,983,000	2,258,000
Passive compon. & elec. tubes	1,668,000	1,567,000
Electromechanical compon.	800,000	753,000
Audio & video syst.	122,000	143,000
Osram	2,640,000	2,471,000
Hell	1,045,000	704,000
Other	1,383,000	1,216,000
Interseg.	(8,833,100)	(7,507,200)
Total	DM 63,184,900	DM 61,127,800

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	13.00	—	—
1989	12.50	—	—
1988	11	—	—
1987	11	—	—
1986	12	—	—

Common Stock Equity

	Total Equity ≠ (000's)	Equity Per Share
1990	DM 17,511,000	DM341.72
1989	18,507,000	378.66
1988	17,588,000	366.20
1987	16,259,000	341.02
1986	15,713,000	333.53

≠ After allowing for preferred stock at par value

Income Account
(000's)

Year ended Sept. 30	1990	1989
Net sales	DM 63,184,900	DM 61,127,800
Change in invent's.	2,659,600	1,544,600
Other income	4,372,200	3,815,500
Total income	DM 70,216,700	DM 66,487,900
Cost of sales	26,754,900	25,210,800
Expenses	11,576,900	10,303,400
Depreciation & amortization	3,975,400	4,056,700
Personnel costs	26,988,100	25,904,200
Inc. from invest. in other companies	(118,600)	21,300
Interest income	(1,783,100)	(1,796,100)
Income before taxes	DM 2,823,100	DM 2,787,600
Income taxes	1,155,200	1,210,600
Net Income	DM 1,667,900	DM 1,577,000

Assets
(000's)

As of Sept. 30	1990	1989
Cash & cash equivalents	DM 3,660,700	DM 1,754,300
Marketable securities	15,686,400	19,485,300
Accts. receiv., net	11,780,600	10,815,100
Other receivables	7,389,700	8,373,100
Inventories	7,314,100	6,887,600
Prepaid expenses	50,000	56,200
Investments	3,698,300	2,645,900
≠Fixed assets	14,456,100	13,901,200
Intangibles	414,100	477,500
Total Assets	DM 64,450,000	DM 64,396,200

Liabilities
(000's)

	1990	1989
Accts. payable	DM 4,351,100	DM 4,173,100
Accrued pension plan	12,734,500	11,990,100
Other accruals	19,101,200	18,820,200
Long-term debt	4,058,100	4,226,600
Deferred income	262,500	225,600
Other liabilities	6,385,400	6,407,100
+ Preferred stock	46,200	46,200
+ Common stock	2,562,200	2,443,700
Add. paid-in capital	5,923,700	5,199,200
Retained earnings	7,557,700	9,536,900
Unappropr. consol. net inc.	678,200	622,500
Minority interests	789,200	705,000
Total Liabilities & Shareholders' Equity	DM 64,450,000	DM 64,396,200

≠ Less accumulated depreciation.
+ DM 50 par value

Statistical Summary

% Income bef. Taxes to Sales	4.47	4.56
% Net Income to Sales	2.64	2.58
% Net Income to Equity	9.50	8.50
Sales to Inventories	8.64	8.88
Debt to Equity	0.23	0.23
Shareholders' Equity (000's)	DM 17,557,200	DM 18,553,500

Siemens Nixdorf Informationssysteme AG

Otto-Hahn-Ring 6
D-8000 Munich 83
Germany
(089)636-44269
FAX: (089)636-3484

Furstenallee 7
4790 Paderborn, Germany

NOTE: In April, 1990, the majority of the common stock was transferred to Siemens AG, Berlin and Munich. Effective October 1, 1990, Siemens AG contributed its Data and Information Technology Group as well as additional assets to Nixdorf Computer AG in the form of an increase of capital; in conjunction with this transaction, the name of the company was changed to Siemens Nixdorf Informationssysteme AG.

Officers: (Supervisory Board) , Hermann Franz, Gerhard Schmidt, Ulrich Starke, Karl-Heermann Baumann, Karin Benz-Overhage, Udo Bohnke, Alfred Borghold, Paul Heggemann, Wolfgang Henseler, Jurgen Heraeus, Helmut Hohmeyer, Claus Kessler, Heinrich J. Klein, Gotz Klingenburg, Gerhard Kruger, Martin Nixdorf, Ulrich Plattman, Wolfgang Reitzle, Gunther Sabmannshausen, Klauss Schwab, Jurgen Sengera, Marianne Thomann-Stahl, Franz Tolle, Herbert Zapp

Directors: Hans-Dieter Wiedig, Horst Nasko, Gunther G. Goth, Otto-H. Gruneberg, Alfred Nowosad, Hartwig Rogge, Heinz-Dieter Wendorff.

Areas of Work: Designs, develops, manufactures and markets computers ranging from hand-held computers and PCs to network systems and super-minicomputers, telecommunications systems, including PABXs, digital telephones, videotex-telephone terminals, voice boxes, and facsimile machines, point-of-sales systems for retailers; self-service equipment such as statement printers, ATMs and terminals for financial transactions fo the banking industry; self-service ticket printers for the airlines industry; factory automation systems; and a variety of standard program and application software.

Subsidiaries:

Austria:
Untere Donaustr. 11
1031 Wien

Belgium/Luxemburg:
rue Colonel Bourg 105
1040 Brussels

Canada:
1131 Lelie Street
Don Mills, Ontario M3L 3L8

Denmark:
Horkaer 20
2730 Herlev

Finland:
Louhelantie 10
01600 Vantaa

France:
14, Avenue des Beguines
95800 Cergy St. Christophe

Great Britain:
Siemens Nixdorf House
Oldbury
Bracknell
Berkshire RG12 4FZ

Greece:
Ziridi Street 10
15124 Marouse/Athen

Ireland:
Fitzwilliam Court, Leeson Close
Dublin 2

Italy:
Viale Monza, 347
20126 Milano
Also:
Via Roma 108, 20060 Cosina de Perti

Morocco:
41-43 Boulevard D'Anfa
Casablanca 01

Netherlands:
Postbus 29
4130 EA Vianen

Norway:
Drammensveien 134
Postboks 224-Skoyen
0212 Oslo 2

South Africa:
19 Stanley Avenue
P.B. 7911
Johannesburg 2000

Spain:
Ronda de Europa, 3
Tres Contos
28760 Madrid

Sweden:
Dalvaegen 26, Box 1329
17126 Solna

Switzerland:
Obstgartenstr. 25
8302 Kloten

Turkey:
K 2., Noramin is Merkezi
Ayazaga 80670
Istanbul

U.S.A.:
200 Wheeler Road
Burlington, Massachusetts 01803

Asia/Pacific Region:
2, Kallang Sector
Singapore 1334

Stock Exchange(s): German, Swiss, Austrian, French

Number of Employees

1990	25,155	1987	29,440
1989	28,525	1986	25,576
1988	31,037		

Sales & Earnings

	Revenues (000's)	Net Income ≠ (000's)
1990*	DM 3,428,000	DM (800,000)
1989	5,261,000	(1,069,000)
1988	5,347,000	26,000
1987	5,071,000	264,000
1986	4,503,000	222,000

	No. of Com. Shares	Earn. per Share ≠
1990*	5,601,123	DM —
1989	5,601,123	—
1988	5,601,122	4.64
1987	5,601,122	47.13

(Loss)
DM - deutsche mark
* 9 months
≠ Including extraordinary gain of DM 152,827,000 (DM 27.29 per share) in 1988 and extraordinary loss of DM 177,876,000 in 1989.

Revenues by Line of Business
(000's)

	1990	1989
Sales	DM 1,792,419	DM 3,009,406
Services & rentals	1,635,874	2,251,997
Total	DM 3,428,293	DM 5,261,403

Common Stock Equity

	Total Equity † (000's)	Equity Per Share
1990	DM 598,000	DM106.76
1989	1,405,000	250.84
1988	2,562,000	457.41
1987	2,703,000	482.58
1986	2,347,000	—

† After allowing for preferred stock at par value.

Income Account
(000's)

Year ended	9/30/90 (9 months)	12/31/89
Revenues	DM 3,428,293	DM 5,261,403
Decrease in fin. prods.	(40,419)	(179,304)
Other cap. comp. prod. assets	102,624	303,736
Other income	246,874	243,350
Total income	DM 3,737,372	DM 5,629,185
Cost of sales	1,376,557	2,299,403
Personnel expense	1,514,103	2,132,346
Depreciation & amortization	322,769	416,962
Other oper. expenses	1,240,612	1,536,658
Loss from invest.	1,395	1,215
Depreciation on fin. assets	9,628	719
Interest expense	67,319	90,660
Loss before taxes	DM (795,011)	DM (848,778)
Income taxes	4,590	42,148
Net Loss	DM (799,601)	DM (890,926)
Extraord. loss	—	(177,876)
Net Loss & extraord. loss	DM (799,601)	DM (1,068,802)

Assets
(000's)

As of	9/30/90	12/31/89
Cash	DM 58,339	DM 253,061
Accts. receiv. - trade	949,870	1,013,245
Accts. receiv. - other	278,114	215,430
*Inventories	751,269	886,001
Current Assets	DM 2,037,592	DM 2,367,737
Prepaid expenses	19,220	12,944
≠Fixed assets	1,681,899	1,723,858
Other assets	74,188	101,734
Total Assets	DM 3,812,899	DM 4,206,273

Liabilities
(000's)

Accrued pensions	DM 136,447	DM 120,992
Accrued taxes	55,868	72,418
Other accruals	898,676	793,830
Current Liabilities	DM 1,090,991	DM 987,240
Bonds with eq. warrants	500,000	500,000
Deferred income	204,978	15,171
Other liabilities	1,139,263	1,018,856
+Preferred stock	280,056	280,056
++Common stock	280,056	280,056
Retained earnings	1,109,186	1,119,839
Minority interest	3,959	5,055
Group deficit	(795,590)	—
Total Liabilities & Shareholders' Equity	DM 3,812,899	DM 4,206,273

* Raw materials, supplies and merchandise are valued at lower of acquisition cost or going value. Work in progress and finished products are valued at cost of production, which includes those cost elements whose capitalization is mandatory under tax rules.
≠ Less accumulated depreciation.
+ DM50 par value.

Statistical Summary

Debt to Equity	0.57	0.30
Working Capital (000's)	DM 946,601	DM 1,380,497
Current Ratio	1.87	2.40
Shareholders Equity (000's)	DM 877,667	DM 1,685,006

Sierracin Corporation

(The Company went private February, 1990.)

12780 San Fernando Road
Sylmar, California 91342-3796
(818) 362-6802

Officers: Christoph Tribull, chairman of the board, president & chief executive officer; Gary Roberts, sr. v.p.-finance and administration & secretary; Patricia A. Sprouse, gen. counsel & asst. secretary; George A. Nikas, president-Sierracin/Sylmar Division; Errol Roy, president-Harrison Division; David Mighdoll, president-Magnedyne Division; Erich Schops, v.p.-Marketing, Paris.

Sierracin Corporation

Directors: Christoph Tribull, chairman, Walter E. Hinds, Raimon Conlisk, John C. Janneck, Saleem S. Naber.

Areas of Work: Manufactures and markets high-technology transparency products for the aerospace and industrial markets.

Divisions and Subsidiaries:

Harrison Division
3020 Empire Avenue
Burbank, California 91504
(818) 842-2131

Specializes in the design and manufacture of patented hydraulic components and seals of pneumatic fluid and nuclear power applications.

Magnedyne Division
2258 Rutherford Road
Carlsbad, California 92008
(619) 438-3321

Manufactures precision servo motors and tachometers for aerospace and industrial applications.

Sierracin/Sylmar Corporation

TransTech Division
12780 San Fernando Road
Sylmar, California 91342
(818) 362-6811

Designs and manufactures high-quality composite security glazing systems for the military and industrial markets.

Sylmar Division
12780 San Fernando Road
Sylmar, California 91342
(818) 362-6711

Engaged in the production of transparencies for aircraft.

Number of Employees:

1989	735	1986	875
1988	950	1985	1,246
1987	950		

Silicon General, Inc.

85 West Tasman Drive
San Jose, California 95134
(408) 943-9403
FAX (408) 433-9307

Officers: William D. Rasdal, chairman & chief executive officer; Paul N. Risinger, vice chairman & assistant secretary; J. Scott Kamsler, v.p. finance, chief financial officer & secretary; Charles C. Thompson, president, chief operating officer-silicon general semiconductors; Ralph Brandi, v.p.-Silicon General Semiconductors; Robert M. Austin, exec. v.p.-Telecom Solutions; D. Ronald Duren, president, chief operating officer- Telecom Solutions; M.J. Narasimha, v.p. technology-Telecom Solutions.

Directors: William D. Rasdal, chairman; Bob Wolfe, Daniel A. McMillan, III, Allen M. Peterson, Paul N. Risinger.

Areas of Work: The Company, including its wholly-owned subsidiaries, manufactures telecommunications equipment for local telephone companies, data conversion subsystems and components, and linear and digital integrated circuits.

Divisions:

Analog Solutions
85 West Tasman Drive
San Jose, California 95134
(408) 433-1900

Produces precision analog signal conversion products and custom DC/DC power conversion products.

Semiconductors
11861 Western Avenue
Garden Grove, California 92641
(714) 898-8121

Designs, manufactures and markets specialized linear circuits and hybrid circuits for the military and industrial market.

Telecom Solutions
85 West Tasman Drive
San Jose, California 95134
(408) 433-0910

Supplies specialized transmission equipment to local telephone companies for subscriber loop applications.

Subsidiary:

Zeltex Puerto Rico, Inc.
Industrial Park, Building 7
P.O. Box 1046
Aguada 00602 Puerto Rico

Manufactures and markets a series of electronic assemblies consisting of conversion products and operations amplifiers. Also manufactures digital clock distributors, which it sells to regional Bell operating companies.

Transfer Agent(s):

Manufacturers Hanover Trust Company
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SILN (NASDAQ)

Number of Employees:

1990	500	1987	603
1989	539	1986	424
1988	541		

N.A. – Not Available

Plant Footage:

1990	197,000 sq. ft.	1988	176,700
1989	130,000		

N.A. – Not Available

Sales & Earnings

	Revenues	Net Income ‡
1990	$ 58,206,000	$ 1,146,000
1989	56,172,000	1,504,000
1988*	48,819,000	(15,281,000)
1987	38,855,000	1,308,000
1986	32,712,000	(6,619,000)

	No. of Com. Shares	Earn. per Share ‡ †
1990	12,304,000	$ 0.09
1989	12,216,971	0.11
1988*	12,171,424	—
1987	12,169,924	0.11
1986	12,065,856	—

(Loss)
* 53 weeks.
‡ Including extraordinary gains of $277,000 ($0.02 per share) in 1990, $252,000 ($0.02 per share) in 1989 and $574,000 ($0.05 per share) in 1987.
† Based on the average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Telecom Group	$ 22,491,000	$ 20,406,000
Semiconductor Group	35,715,000	35,766,000
Total	$ 58,206,000	$ 56,172,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 25,098,000	$ 2.04
1989	23,799,000	1.95
1988	22,222,000	1.83
1987	37,497,000	3.08
1986	35,407,000	2.93

Income Account *

Year ended Jun. 30	1990	1989
Net sales	$ 58,206,000	$ 56,172,000
Cost of sales	38,644,000	35,421,000
Expenses	17,245,000	20,555,000
Restruc. credit	—	(3,028,000)
Interest income	(93,000)	(67,000)
Interest expense	1,264,000	1,787,000
Income bef. taxes	$ 1,146,000	$ 1,504,000
Income taxes	277,000	252,000
Net Income	$ 869,000	$ 1,252,000
Extraord. gain	277,000	252,000
Net Income & extraord. gain	$ 1,146,000	$ 1,504,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,775,000 in 1990 and $4,025,000 in 1989.

Assets

Year ended Jun. 30	1990	1989
Cash & cash equiv.	$ 955,000	$ 2,182,000
Accts. receiv., net	9,127,000	10,071,000
*Inventories	9,976,000	11,931,000
Other curr. assets	205,000	144,000
Current Assets	$ 20,263,000	$ 24,328,000
#Fixed assets	20,089,000	22,083,000
Other assets	901,000	1,124,000
Total Assets	$ 41,253,000	$ 47,535,000

Liabilities

	1990	1989
Notes payable	$ 851,000	$ 6,000,000
Long-term debt, curr.	29,000	1,613,000
Accts. payable	3,779,000	4,369,000
Accruals	4,836,000	5,022,000
Curr. Liabilities	$ 9,495,000	$ 17,004,000
Long-term debt	4,884,000	4,909,000
Deferred rent	1,009,000	1,056,000
Deferred inc. taxes	767,000	767,000
+Common stock	5,776,000	5,623,000
Add. paid-in capital	5,152,000	5,152,000
Retained earnings	14,170,000	13,024,000
Total Liabilities Shareholders' Equity	$ 41,253,000	$ 47,535,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1990	1989
%Income bef. Taxes to Sales	1.97	2.68
%Net Income to Sales	1.49	2.23
%Net Income to Equity	3.46	5.26
Sales to Inventories	5.83	4.71
Debt to Equity	0.23	0.53
Working Capital	$ 10,768,000	$ 7,324,000
Current Ratio	2.13	1.43
Shareholders' Equity	$ 25,098,000	$ 23,799,000

Siliconix Incorporated

(80.1%-owned by AEG Corporation)

2201 Laurelwood Road
P.O. Box 54951
Santa Clara, California 95056-0951
(408) 988-8000
FAX (408) 727-5414

NOTE: On April 10, 1990 the Company filed for reorganization under the protection of Chapter XI of the Federal Code.

Officers: Robert L. Wehrli, chairman; Richard J. Kulle, president & CEO; Susan K. Gilbert, v.p. & CFO; Peter W. Weber, exec. v.p.; Jurgen F. Biehn, v.p. & corp. controller; Donald G. Keefe, v.p.-European operations; King Owyang, v.p.-engineering; Walter Faleschini, secretary.

Directors: Robert L. Wehrli, chairman; Gunter Ertelt, Frank Maier, Peter W. Weber, Richard Kulle.

Areas of Work: Designs, develops, manufactures and sells discrete devices and integrated circuits which include junction and MOS field-effect transistors (FETs) and digital linear and large-scale integrated circuits. Product application innovations in the areas of switching, multiplexing, interface circuitry, operational and sense amplifiers, phased arrays, signal processing and LSI circuits for the data conversion and telecommunications markets are derivations of advanced components technologies.

Subsidiaries:

Siliconix (Taiwan) Limited
Nantze Export Processing Zone
Kaohsiung, Taiwann
Republic of China

Siliconix S.A.R.L.
70-72 Avenue du General de Gaulle
Echat 559
94020 Creteil Cedex, Creteil, France

Nippon Siliconix (50% interest)

Transfer Agent(s):

First Interstate Bank
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SILI (NASDAQ)

Number of Employees:

1990	1,797	1987	2,549
1989	2,199	1986	2,603
1988	2,662		

Plant Footage:

1990	285,100 sq. ft.	1987	376,300
1989	360,100	1986	376,300
1988	376,300		

Sales & Earnings

	Net Sales	Net Income †
1990	$ 131,169,000	$ (35,060,000)
1989	122,525,000	(28,984,000)
1988	128,526,000	1,630,000
1987	122,528,000	5,025,000
1986	111,185,000	7,364,000

	No. of Com. Shares ≠	Earn. Per Share † ≠
1990	2,245,000	$ —
1989	1,978,000	—
1988	1,868,000	0.87
1987	1,915,000	2.63
1986	1,973,000	3.73

(Loss)
† Including extraordinary gains of $19,029,000 ($8.48 per share) in 1990, $338,000 ($0.18 per share) in 1988 and $1,126,000 ($0.59 per share) in 1987.
≠ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split and reverse stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	0.148-for-1
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 45,587,000	$ 20.31
1989	47,583,000	24.06
1988	76,672,000	41.04
1987	65,828,000	34.37
1986	65,721,000	33.31

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split and reverse stock split.

Income Account*

Year ended Dec. 31	1990	1989
Net sales	$ 131,169,000	$ 122,525,000
Cost of sales	93,875,000	90,504,000
Expenses	50,042,000	51,596,000
Restruc. expenses	19,984,000	—
Interest expense	6,374,000	5,649,000
Other expense	14,592,000	4,214,000
Loss before taxes	$ (53,698,000)	$ (29,438,000)
Income taxes (credit)	391,000	(454,000)
Net Loss	$ (54,089,000)	$ (29,984,000)
Extraord. gain	19,029,000	—
Net Loss & extraord. gain	$ (35,060,000)	$ (28,984,000)

* Included in Costs and Expenses, Depreciation $13,486,000 in 1990 and $14,332,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 4,107,000	$ 705,000
Marketable secur.	1,125,000	—
Accts. receiv., net	22,335,000	25,011,000
*Inventories	27,556,000	28,339,000
Prepaid expenses	3,593,000	4,483,000
Current Assets	$ 58,716,000	$ 58,538,000
≠Fixed assets	55,818,000	60,737,000
Other assets	1,615,000	5,329,000
Total Assets	$ 116,149,000	$ 124,604,000

Liabilities

Long-term debt, curr.	$ 3,299,000	$ 30,692,000
Accts. payable	7,801,000	5,361,000
Accruals	12,521,000	7,253,000
Income taxes	454,000	14,000
Contingencies	6,576,000	3,600,000
Curr. Liabilities	$ 30,651,000	$ 46,920,000
Long-term debt	39,109,000	29,108,000
Deferred inc. taxes	802,000	993,000
+Common stock	100,000	20,000
Retained earnings (deficit)	(15,258,000)	19,802,000
Accum. trans. adjust.	2,193,000	(353,000)
Total Liabilities & Shareholders' Equity	$ 116,149,000	$ 124,604,000

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	4.76	4.32
Debt to Equity	0.93	1.26
Working Capital	$ 28,065,000	$ 11,618,000
Current Ratio	1.92	1.25
Shareholders' Equity	$ 45,587,000	$ 47,583,000

SL Industries, Inc.

Suite 110, 8000 Midlantic Drive
Mount Laurel, New Jersey 08054
(609) 727-1500
FAX: (609) 727-1683

Officers: Owen Farren, president & chief exec. officer; Ted D. Taubeneck, staff exec. v.p., treasurer, secretary & gen. counsel; James E. Morris, corp. controller.

Directors: Bryne Litschgi, chairman; Owen Farren, William M. Hess, J. Dwane Baumgardner, Donald J. Lloyd-Jones, Salvatore J. Nuzzo, Marlin Miller, Jr., Richard T. Niner, Daryl L. Renschler.

Areas of Work: Designs, manufactures, and distributes engineered products for industrial and consumer niche markets, as well as customized components and other products for a wide range of Original Equipment Manufacturers. wheels and meters, gyro windings, spark plugs and jet engine igniters for the avionics industry, power conditioners, voltage surge protectors, electric feed-throughs, and observation ports.

Metal products include grinding wheels and abrasives, specialty pipe flanges, pipe bends, tank nozzles, and the piping systems of chemical and food processing plants.

Plastic products include a variety of high tolerance parts produced by many processes including injection molding; profile and sheet extrusion; and casting of crystal clear sheet, tube and rod.

Divisions:

Electrical/Electro-Mechanical Products

SL Auburn, Inc.
89 York Street
Auburn, New York 13021
(315) 252-9501

SL Waber, Inc.
300 Harvard Avenue
Westville, New Jersey 08093
(609) 456-5400

SL Montevideo Technology, Inc.
Montevideo, Minnesota

SL Electrostatic Technology, Inc.
New Haven, Connecticut

Specialty Products

SL Piping Systems, Inc.
Newport, Delaware

SL Modern Hard Chrome, Inc.
Camden, New Jersey
(609) 665-8600

SL LUBE/systems, Inc.
Elmwood Park, New Jersey

Transfer Agent(s):

Mellon Securities Trust Company
120 Broadway
New York, New York 10004

Stock Exchange(s): New York, Philadelphia

Ticker Symbol: SL

Number of Employees:

1990	955	1987	994
1989	983	1986	884
1988	933		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 76,025,000	$ 309,000
1989	73,173,000	3,672,000
1988	63,225,000	(1,358,000)
1987	63,321,000	4,433,000
1986	61,906,000	4,124,000

SL Industries, Inc.

	No. of Com. Shares ‡	Earn. per Share ‡
1990	6,432,000	$ 0.05
1989	6,417,000	0.57
1988	6,409,000	—
1987	6,390,000	0.69
1986	6,377,000	0.65

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues by Line of Business

	1990	1989
Electrical/electro-mechanical	$ 50,863,000	$ 46,772,000
Specialty products	25,162,000	26,401,000
Total	$ 76,025,000	$ 73,173,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.16	6%	—
1989	0.15	6%	—
1988	0.15	6%	—
1987	0.14	6%	—
1986	0.12	6%	4-for-3

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 32,033,000	$ 4.98
1989	32,732,000	5.09
1988	29,957,000	4.67
1987	32,236,000	5.04
1986	28,642,000	4.49

‡ Adjusted to reflect stock dividends and stock split.

Income Account

Year ended July 31	1990	1989
Net sales	$ 76,025,000	$ 73,173,000
Cost of sales	49,296,000	47,895,000
Expenses	20,024,000	17,062,000
Depreciation & amortization	2,809,000	2,076,000
Unusual items	3,115,000	—
Oper. profit	$ 781,000	$ 6,140,000
Interest income	(98,000)	(217,000)
Interest expense	473,000	388,000
Income bef. taxes	$ 406,000	$ 5,969,000
Income taxes	97,000	2,297,000
Net Income	$ 309,000	$ 3,672,000

Assets

As of July 31	1990	1989
Cash & cash equiv	$ 836,000	$ 220,000
Receivables, net	10,524,000	10,099,000
Cost in exc. of billings	783,000	1,217,000
*Inventories	12,167,000	14,027,000
Prepaid expenses	862,000	956,000
Deferred inc. taxes	1,349,000	483,000
Current Assets	$ 26,521,000	$ 27,002,000
#Fixed assets	11,386,000	9,460,000
Assets held for fut. sale	4,117,000	4,154,000
Notes receiv	194,000	261,000
Defer. charges & other assets	3,133,000	3,211,000
Intangibles	5,950,000	6,359,000
Total Assets	$ 51,301,000	$ 50,447,000

Liabilities

Long-term debt, curr	$ 256,000	$ 385,000
Accts. payable	3,725,000	3,368,000
Accrued inc. taxes	178,000	469,000
Accrued payroll	2,809,000	2,333,000
Accrued insurance	550,000	333,000
Other accruals	4,423,000	2,038,000
Billings in exc. of costs	37,000	423,000
Curr. Liabilities	$ 11,978,000	$ 9,349,000
Long-term debt	3,926,000	5,681,000
Deferred inc. taxes	—	48,000
Deferred compensation	3,364,000	2,637,000
+ Common stock	1,460,000	1,375,000
Add. paid-in capital	31,406,000	28,004,000
Retained earnings	3,024,000	7,170,000
Treasury stock	(3,857,000)	(3,817,000)
Total Liabilities & Shareholders' Equity	$ 51,301,000	$ 50,447,000

* At lower of cost (primarily FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

% Income bef. Taxes to Sales	0.53	8.16
% Net Income to Sales	0.41	5.02
% Net Income to Equity	0.96	11.22
Sales to Inventories	6.25	5.22
Debt to Equity	0.13	0.19
Working Capital	$ 14,543,000	$ 17,653,000
Current Ratio	2.21	2.89
Shareholders' Equity	$ 32,033,000	$ 32,732,000

SmithKline Beecham plc

(formerly SmithKline Beckman Corporation)

SB House
Great West Road
Brentford, Middlesex TW8 9BD England
081-560 5151

One Franklin Plaza
Philadelphia, Pennsylvania 19101
(215) 751-4000

NOTE: The Company was created on July 26, 1989 from the merger of SmithKline Beckman Corporation of the U.S. and Beecham Group of the U.K.

Directors: Henry Wendt, chairman of the board; Martyn Greenacre, chairman, European pharmaceuticals; Dr. Keith Mansford, chairman, research & development; Jan Leschly, chairman; Robert P. Bauman, chief executive; William Grant, non-exec. vice-chairman; Sir Robert Clark, non-exec. vice-chairman; Frederick W. Kyle, president, U.S. pharmaceuticals; Hugh R. Collum, group finance director; John Hunter, chairman, consumer brands; Ralph A. Pfeiffer, Jr., director; Sir Peter Walters, director; Brigit Breuel, non-executive director; Andrew R.F. Buxton, director; Alain Gomez, director; Francis P. Lucier, director; James White, director; Donald McHenry, director.

Areas of Work: Engaged in the fields of health care and high technology. Markets a broad line of prescription and proprietary products for human and animal health as well as diagnostic and analytical products and services that facilitate the detection and treatment of disease and the advancement of biomedical research.

Products for the separation of biological materials include ultracentrifuges, low-speed centrifuges and high-performance liquid chromatography systems. Products for the detection, monitoring and quantification of biological materials include spectrophotometers, nuclear counters and electrochemical instruments. Instrumentation for analysis of molecular structure and composition includes an amino acid analyzer and an instrument for determining protein and peptide sequences. The Company also produces a DNA synthesizer which uses licensed phosphoramidite chemistry and microprocessor control to speed and simplify the synthesis of nucleic acids and a peptide synthesizer which enables scientists to duplicate or make analogs of the structures of natural peptides or small proteins. The Company has also introduced an automated laboratory work station using robotics technology.

Divisions:

UNITED KINGDOM

Beecham Animal Health
Beecham Group p.l.c.
Beecham Pharmaceuticals
Beecham Products Ltd.
Beecham Products Overseas
Beecham Research International
Beecham Bovril Brands
Beecham Toiletries and Healthcare-UK
Horlicks Ltd.
Smith Kline & French Laboratories Ltd.
SmithKline Animal Helath Ltd.
SmithKline Beecham Consumer Brands
SmithKline Beecham Pharmaceuticals

U.S.A.

Beecham Inc.
Beecham Laboratories
Beecham Products
Norden Laboratories, Inc.
Smith Kline & French Laboratories
Smith Kline & French Research & Development
SmithKline Beecham Animal Health
SmithKline Beecham Clinical Laboratories, Inc.
SmithKline Beecham Consumer Brands
SmithKline Beecham Corporation
SmithKline Beecham Pharmaceuticals Co.
SmithKline Chemicals

Registrars:

National Westminster Bank
Registrars Department
P.O. Box 82
Caxton House, Redcliffe Way
Bristol BS99 7NH England

Morgan Guaranty Trust Co. of New York
c/o First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, London

Ticker Symbol: SBH (New York)* *Trades as an American Depository Receipt (ADR).

Number of Employees:

1990	57,300	1989	62,800

Sales & Earnings

	Net Sales +	Net Income ‡
1990	£4,501,000,000	£ 847,000,000
1989	4,264,000,000	130,000,000
1988	N.A.	367,000,000

	No. of Com. Shares #	Earn. per Share ‡ #
1990	1,326,000,000	41.0p
1989	1,306,000,000	36.5
1988	1,286,000,000	36.5

£ - pound sterling.
N.A. - Not Available.
+ Of continuing operations only.
‡ Including extraordinary gain of £ 303,000,000 (22.9p per share) in 1990 and extraordinary losses of £ 346,000,000 (26.5p per share) in 1989 and £ 102,000,000 (8.0p per share) in 1988.
# Based on the average number of common shares outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Pharmaceuticals	£ 2,377,000	£ 2,238,000
Animal health	307,000	309,000
Consumer brands	1,342,000	1,232,000
Clinical laboratories	475,000	485,000
Discontinued operations	263,000	633,000
Total	£ 4,764,000	£ 4,897,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	14.0p	—	—
1989	5.2	—	—

Common Stock Equity

	Total Equity ≠	Equity Per Share ‡
1990	£ 802,000,000	60.48p
1989	(295,000,000)	—
1988	1,363,000,000	106.0

(Deficiency)
≠ After allowing for preferred stock at stated value of US$0.25
‡ Based on the average number of common shares outstanding

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales:		
Continuing oper	£ 4,501,000	£ 4,264,000
Discontinued oper	263,000	633,000
Total	£ 4,764,000	£ 4,897,000
Cost of sales	1,703,000	1,889,000
Sell., gen. & adm. exp.	1,701,000	1,790,000
Res. & develop. exp.	393,000	400,000
Share of profits of rel. cos.	(3,000)	(8,000)
Interest expense	110,000	102,000
Income before taxes	£ 860,000	£ 724,000
Income taxes	286,000	244,000
Minority interests	9,000	4,000
Auc. rate pref. dividends	21,000	—
Net Income	£ 544,000	£ 476,000
Extraord. items	303,000	(346,000)
Net Income & extraord. loss	£ 847,000	£ 130,000

* Included in Costs and Expenses, Depreciation: £ 151,000,000 in 1990 and £ 134,000,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	£ 314,000	£ 229,000
Short-term invest.	459,000	5,000
Assets held pending dispos.	—	166,000
Accts. receiv., net	1,150,000	1,275,000
*Inventories	488,000	515,000
Current Assets	£ 2,411,000	£ 2,190,000
Investments	45,000	91,000
≠Fixed assets	1,433,000	1,473,000
Total Assets	£ 3,889,000	£ 3,754,000

Liabilities
(000's)

Long-term debt, curr.	£ 1,108,000	£ 986,000
Payments receiv. on acct.	12,000	2,000
Accts. payable	270,000	261,000
Bills of exch. pay.	6,000	9,000
Income taxes	186,000	245,000
Other taxes	41,000	39,000
Restruc. costs	215,000	304,000
Other accts. pay.	96,000	243,000
Accruals & def. inc.	366,000	173,000
Dividends	114,000	80,000
Curr. Liabilities	£ 2,414,000	£ 2,542,000
Long-term debt	341,000	999,000
Other liab.	31,000	31,000
Prov. for liab. & charges	284,000	457,000
+Preferred stock	17,000	20,000
++Common stock	332,000	331,000
Reserves	939,000	348,000
Goodwill reserve	(915,000)	(995,000)
Auc. rate pref. stock-subsid.	415,000	—
Minority interests	31,000	21,000
Total Liabilities & Shareholders' Equity	£ 3,889,000	£ 3,754,000

* At lower of cost and net realizable value
≠ Less accumulated depreciation.
+ No par value; US$0.25 stated value. US$0.35 cumulative.
++ 25p par value

Statistical Summary

% Net Income to Equity	66.42	—
Sales to Inventories	9.76	9.51
Debt to Equity	1.77	—
Shareholders' Equity (Deficiency)	£ 819,000,000	£ (275,000,000)

Snap-on Tools Corporation

2801 80th Street
Kenosha, Wisconsin 53141-1410
(414) 656-5200
FAX (414) 656-5577

Officers: Marion F. Gregory, chairman, president & chief executive officer; Dan G. Craighead, v.p.-international; James R. Askeris, controller; Branko M. Beronja, v.p.-sales- North America; Nicholas L. Loffredo, division v.p.-Eastern-Div.; Charles H. Essayan, div. v.p.-Western Div.; James D. Johnson, div. v.p.-Central Division; Richard V. Caskey, v.p.-marketing services; Donald E. Lyons, v.p.-human resources; Michael F. Montemurro, sr. v.p.-finance; Jay H. Schnabel, v.p.; Robert C. Stenman, v.p.-planning & information services; Kenneth A. Pike, v.p.-corp. quality; James L. Somers, senior v.p.-mfg. & research & engineering; Charles C. Wiersum, v.p.-manufacturing; Daniel J. Riordan, sr. v.p.-sales; Charles J. Labanowsky, asst. secretary & asst. general counsel; Denis J. Loverine, treasurer; Susan F. Marrinan, secretary & general counsel.

Directors: Marion F. Gregory, chairman of the board; Daniel J. Riordan, Arthur L. Kelly, Robert A. Cornog, Jay H. Schnabel, Daniel J. Krumm, Raymond F. Farley, George W. Mead, J. Thomas Schanck.

Areas of Work: Manufactures hand tools for the professional automotive mechanic and industrial tool user, electronic automotive diagnostic equipment, sheet metal tool chests and cabinets, wheel aligning, and balancing equipment and air powered tools.

Subsidiaries:

Snap-on Tools of Canada Ltd.
Toronto, Ontario, Canada
Manufactures tools, tool chests and cabinets.

Herramientas Snap-on de Mexico, S.A.
Vallejo, Mexico
Distributes U.S. and Mexican manufactured products throughout Mexico.

Snap-on AG
Zug, Switzerland

Snap-on Tools International, Ltd. (FSC)
Kenosha, Wisconsin
Foreign sales corporation

Snap-on Tools Limited
Kettering Northant's, England
Distributes U.S. and Canadian manufactured products throughout England.

Snap-on Tools (Europe) Ltd.

Snap-on Tools Import and Wholesale Pty. Ltd.

Snap-on Tools Netherlands B.V.

Snap-on Tools Industrial-Japan K.K.

Snap-on Tools GmbH
Willsbach, West Germany

American Assembly Tools, Inc.

ATI Industries, Inc.
Engaged primarily in manfacturing and marketing high quality precision aircraft tools used in the construction and maintenance of commercial and military aircraft.

Transfer Agent(s):

Harris Trust and Savings Bank
311 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: SNA

Number of Employees:

1990	6,887	1987	6,910
1989	7,461	1986	6,580
1988	7,187		

N. A.- Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 931,533,000	$ 100,760,000
1989	890,792,000	104,710,000
1988	854,592,000	113,322,000
1987	754,303,000	88,596,000
1986	670,086,000	65,496,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	41,207,563	$ 2.45
1989	41,038,978	2.55
1988	41,603,128	2.72
1987	41,525,145	2.13
1986	41,168,798	1.59

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 1.08	—	—
1989	1.04	—	—
1988	0.88	—	—
1987	0.70	—	—
1986	0.61	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 636,403,000	$ 15.44
1989	572,657,000	13.95
1988	505,202,000	12.14
1987	457,536,000	11.02
1986	382,952,000	9.30

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Income Account*

Year ended Dec. 31	1990	1989
Net sales	$ 931,533,000	$ 890,792,000
Cost of sales	462,384,000	450,931,000
Expenses	359,266,000	320,178,000
Install. contact inc.	(53,182,000)	(47,202,000)
Oper. profit	$ 163,065,000	$ 166,885,000

Snap-on Tools Corporation

Other income	(3,557,000)	(1,923,000)
Interest expense	6,762,000	3,298,000
Income before taxes	$ 159,860,000	$ 165,510,000
Income taxes	59,100,000	60,800,000
Net Income	$ 100,760,000	$ 104,710,000

* Included in Costs and Expenses, Depreciation and Amortization: $24,377,000 in 1990 and $21,865,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 6,584,000	$ 5,078,000
Accts. receiv., net	459,381,000	403,926,000
*Inventories	182,065,000	137,106,000
Prepaid expenses	27,008,000	18,513,000
Current Assets	$ 675,038,000	$ 564,623,000
#Fixed assets	210,414,000	195,020,000
Intangibles & other assets	22,402,000	17,960,000
Total Assets	$ 907,854,000	$ 777,603,000

Liabilities

Notes payable	$ 76,500,000	$ 37,000,000
Long-term debt, curr.	425,000	425,000
Accts. payable	37,071,000	40,259,000
Accruals	68,289,000	58,895,000
Dealer deposits	54,517,000	42,897,000
Curr. Liabilities	$ 236,802,000	$ 179,476,000
Long-term debt	7,275,000	7,700,000
Deferred income taxes	12,131,000	11,013,000
Other liabilities	15,243,000	6,757,000
+Common stock	41,277,000	41,117,000
Add. paid-in capital	9,333,000	5,243,000
Retained earnings	582,704,000	526,449,000
For. curr. trans. adjust.	3,089,000	(152,000)
Total Liabilities & Shareholders' Equity	$ 907,854,000	$ 777,603,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.16	18.58
%Net Income to Sales	10.82	11.75
%Net Income to Equity	15.83	18.28
Sales to Inventories	5.12	6.50
Debt to Equity	0.13	0.08
Working Capital	$ 438,236,000	$ 385,147,000
Current Ratio	2.85	3.15
Shareholders' Equity	$ 636,403,000	$ 572,657,000

Solid Controls, Inc.

820 South 5th Street
Hopkins, Minnesota 55343
(612) 933-9053
FAX: (612) 933-8961

Officers: Ronald A. Kokesh, president; Edward A. Cashin, executive vice president; John L. Rodgers, Jr., v.p.-engineering; Gary E. Polaczyk, v.p.-finance & personnel; A. Larry Katz, secretary.

Directors: Ronald A. Kokesh, Edward A. Cashin, A. Larry Katz.

Areas of Work: Designs and manufactures a widely diversified line of solid state controls for the industrial machine industry.

Transfer Agent(s):

Mellon Securities Trust Company

Stock Exchange(s): Over-the-Counter

Number of Employees:

1989	45	1986	84
1988	N.A.	1985	90
1987	60		

Plant Footage:

1989	22,000 sq. ft.	1986	31,000
1988	N.A.	1985	31,000
1987	22,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1990	$ 4,344,559	$ 104,947
1989	5,746,322	308,751
1988	4,555,225	(160,292)
1987	5,593,178	82,105
1986	8,348,756	613,226

	No. of Com. Shares	Earn. per Share x
1990	1,185,804	$ 0.09
1989	1,185,804	0.26
1988	1,185,804	—
1987	1,185,804	0.07
1986	1,185,804	0.52

( ) Loss
x Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.13	—	—
1989	0.13	—	—
1988	0.13	—	—
1987	0.13	—	—
1986	0.13	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 3,653,374	$ 3.08
1989	3,702,582	3.12
1988	3,547,986	2.99
1987	3,862,433	3.26
1986	3,934,483	3.32

Income Account *

Year ended March 31	1990	1989
Net sales	$ 4,344,559	$ 5,746,322
Cost of sales	2,999,569	3,694,323
Expenses	1,338,267	1,721,236
Other income	(175,224)	(147,688)
Inc. bef. taxes	$ 181,947	$ 478,451
Income taxes	77,000	169,700
Net Income	$ 104,947	$ 308,751

* Included in Costs and Expenses, Depreciation and Amortization: $167,863 in 1990 and $170,414 in 1989.

Assets

As of March 31	1990	1989
Cash & cash equiv.	$ 1,787,026	$ 1,045,732
Short-term invest.	—	867,376
Accts. receiv., net	1,059,721	1,115,499
*Inventories	705,986	768,159
Prepaid expenses	44,835	26,987
Current Assets	$ 3,597,568	$ 3,823,753
Marketable securities	211,275	211,275
Long-term contract receiv.	—	12,500
Software develop. costs	153,750	112,435
#Fixed assets	127,752	207,949
Other assets	89,707	62,818
Total Assets	$ 4,180,052	$ 4,430,730

Liabilities

Accts. payable	$ 46,781	$ 29,361
Accruals	240,339	386,910
Accrued income taxes	67,516	32,297
Cap. lease oblig., curr.	33,272	41,531
Curr. Liabilities	$ 387,908	$ 490,099
Deferred income	106,814	173,820
Deferred taxes	27,000	26,000
Cap. lease oblig.	4,956	38,229
+Common stock	59,290	59,290
Add. paid-in capital	419,118	419,118
Retained earnings	3,174,966	3,224,174
Total Liabilities & Shareholders' Equity	$ 4,180,052	$ 4,430,730

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.19	8.33
%Net Income to Sales	2.42	5.37
%Net Income to Equity	2.87	8.34
Sales to Inventories	6.15	7.48
Debt to Equity	0.01	0.02
Working Capital	$ 3,209,660	$ 3,333,654
Current Ratio	9.27	7.80
Shareholders' Equity	$ 3,653,374	$ 3,702,582

Sony Corporation

7-35, Kitashinagawa 6-chome
Shinagawa-ku, Tokyo 141, Japan
(03) 448-2111
FAX: (03) 448-2244

Officers: Akio Morita, chairman & chief executive officer; Norio Ohga, president & chief executive officer; Masaaki Morita, deputy president; Noboo Kanoi, deputy president; Ken Iwaki, deputy president; Tsunehiko Ishizuka, sr. managing director; Kozo Ohsone, sr. managing director; Tsunao Hashimoto, sr. managing director; Minoru Morio, sr. managing director; Koji Adachi, sr. managing director; Kazuyuki Shirakura, managing director; Fumio Kohno, managing director; Jiro Aiko, managing director; Kiyoshi Yamakawa, managing director; Junichi Kodera, managing director; Yoshiyuki Kaneda, managing director; Akira Nagano, managing director; Kenji Tamiya, managing director; Masahiro Takahashi, managing director.

Directors: Yusuke Kashiwagi, Kenichi Kamiya, Senri Miyaoka, Shiro Koriyama, Yoshiro Kato, Yasuo Kuroki, Koichi Momoi, Minoru Morio, Toshitada Doi, Ryoichi Matsuda, Akihisa Onishi, Nobuyuki Idei, Jakob J. Schmuckli, Teruaki Aoki, Michael P. Schulhof, Hisanaga Shimazu, Sumio Sano, Masayuki Takano, Seiichi Watanbe, Toshio Sakai, Eijiro Oki, Kazuaki Morita.

Areas of Work: Manufacture and sale of audio and video equipment, computers and computer peripherals, and electronic devices such as semiconductors. Production, manufacture, and sale of music and video software. Production, distribution, and exploitation of motion pictures and television programs.

Subsidiaries (Japan):

Sony Ichinomiya Corporation
Manufactures color TVs and VTRs (video tape recorders).

Sony Broadcast Products Group
Manufactures industrial and broadcast use audio, video, camera, and optical systems.

Sony Kohda Corporation
Manufactures VTRs and videodisc players.

Sony Magnetic Products, Inc.
Manufactures magnetic and optical recording media and electronic components.

Sony Kisarazu Corporation
Manufactures VTRs, and CD (compact disc) players.

Sony Engineering Corporation
Design and engineering of electronic products.

Sony Minokamo Corporation
High-density surface mounting for VTR parts.

Max Precision Products Corporation
Manufacture and sale of precision components, molding dies, FA systems, and artwork for printed wiring boards.

Sony Inazawa Corporation
Manufactures color TV tubes.

Sony Denshi Corporation
Manufactures color TV and TV components.

Motomiya Denshi Corporation
Manufactures Trinitron gun, security systems, flat display tubes, and key components for televisions.

Sony Mizunami Corporation
Manufactures color TV tubes.

Sony Tsukuba Corporation
Manufactures audio products.

Taron Corporation
Manufactures audio and video equipment.

Sony Bonson Corporation
Manufactures tape recorders (including Walkmans), flat TVs, and car audio products.

Sony Kokubu Semiconductor Corporation
Manufactures semiconductors.

Sony Shiroishi Semiconductor Inc.
Manufactures semiconductors.

Sony Oita Corporation
Manufactures semiconductors.

Tohkai Electronics Corporation
Manufactures printed circuit boards.

Sony Asco Inc.
Manufactures micro floppydisk drives and printer systems.

Sound System Corporation
Manufacture and surface mounting of key components for VTRs and CD players.

Sony Chemicals Corporation
Manufactures videotapes, adhesives, and electronic components.

Aiwa Co., Ltd.
Manufactures and markets hi-fi audio systems, headphone stereos, radiocassette recorders, VTRs, and modems.

Sony Magnescale Inc.
Manufactures and markets Magnescale digital position readout systems, digital gauging systems, Magnescale CNC systems, instrumentation tape recorders, and Sprinter high-speed video duplicating systems.

Sony Plaza Co., Ltd.
Import, wholesale, and retail of household goods, cosmetics, and confectioneries.

Sony Pruco Life Insurance Co., Ltd.
Life Insurance.

CBS/Sony Group Inc.
Manufactures and markets phonograph records, music tapes, compact discs, videocassettes, and videodiscs.

Iwate Toyo Corporation
Manufacture of car stereos and telephones.

Sony Creative Products, Inc.
Design, manufacture, and sale of stationary, gift goods and cosmetics.

Sony Itakura Corporation
Manufacture of audio products.

Sony Digital Products Inc.
Manufacture of audio products and computers.

Sony Procurement Service Corporation
International procurement and distribution services for parts and components.

Sony Shoji Corporation
Lease of real estate.

Sony Magnetic Tape Sales Corporation
Sale of magnetic tapes.

Sony Enterprise Co., Ltd.
Operation of the Sony building and Sony Tower; import of athletic goods; sales promotion and licensing.

Sony Logistics Corporation
Warehousing; packing of cargo; airfreight forwarding and transportation services.

Sony/Tektronix Corporation
Manufactures, markets and services electronic measurement, display, and control instruments and computer graphic products.

Sony Service Co., Ltd.
Repair and service of Sony products.

Sony Nagasaki Corporation
Manufactures semiconductors.

Sony Energytec Inc.
Manufacture and sale of batteries.

Sony Finance International Inc.
Credit, lease, and finance; rental of Sony products.

Sony/PCL Inc.
Post-production for video and high definition video systems; video duplicating; motion-picture and still-photo processing; rental of video display systems.

Subsidiaries (United States):

Sony USA
9 West 57th Street
New York, New York 10019
(212) 371-5800
Manufactures and sale of Sony products in the United States.

Sony Trans Com Inc.
Manufacture and sale of airborne audio and visual entertainment systems.

Columbia Pictures Entertainment, Inc.
Production, worldwide distribution, and exploitation of feature-length motion pictures and television programs.

Digital Audio Disc Corporation
Manufactures compact discs.

Sony Corporation of America
Manufacture and sale of Sony products in the United States.

Sony Music Entertainment Inc.
Record operation including production, manufacture and sale of phonograph records, tapes, compact discs, and video software.

Materials Research Corporation
Supplies high-purity metals, ceramics, sputtering and etching equipment to the electronics and telecommunications industries.

Depository, Transfer Agent, and Registrar for American

Morgan Guaranty Trust Company of New York
New York, New York

Co-Transfer Agents and Co-Registrars:

Continental Illinois National Bank and Trust Co. of Chicago
Chicago, Illinois

Bank of America National Trust and Savings Association
San Francisco, California

The Royal Trust Company (Co-Transfer Agent only)
Montreal, Canada

National Trust Company, Limited (Co-Registrar only)
Toronto, Canada

Stock Exchange(s): Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, Japan; New York, London, Amsterdam, Pacific, Paris, Frankfurt, Dusseldorf, Brussels, Antwerp, Vienna, Toronto, Montreal, Vancouver, Midwest, Zurich, Basle, Geneva.

Ticker Symbol: SNE (New York Stock Exchange)*
*Trades as an ADR

Number of Employees:

1990	95,600	1987	47,600
1989	78,900	1986	48,700
1988	71,000		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1991	¥ 3,616,517	¥ 116,925
1990	2,879,856	102,808
1989	2,145,329	72,469
1988	1,555,219	37,236
1987*	609,425	13,254

	No. of Com. Shares ‡	Earn. per Share ‡
1991	417,202,000	¥ 285.9
1990	371,450,000	279.0
1989	334,336,000	219.7
1988	274,550,000	137.2
1987*	254,360,000	52.1

¥ - Yen
* 5 months
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business

	1991 (millions)	%	1990 (millions)	%
Video equipment	¥ 908,399	25.1%	¥ 743,709	25.8%
Audio equipment	881,777	24.4	722,211	25.1
Televisions	552,464	15.3	446,436	15.5
Other products	542,356	15.0	419,765	14.6
Music entertainment	473,979	13.1	455,226	15.8
Filmed entertainment	257,542	7.1	92,509	3.2
Total	¥3,616,517	100%	¥2,879,856	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1991	¥ 45.5	10%	—
1990	45.5	—	—
1989	45.5	—	—
1988	40.5	—	—
1987	16.8	—	—

+ Adjusted to reflect stock dividend

Common Stock Equity

		Total Equity (millions)	Equity Per Share +
1991	¥	1,476,414	¥ 3,964.04
1990		1,430,058	3,916.66
1989		911,816	2,933.17
1988		646,076	2,459.88
1987		603,816	2,373.87

+ Adjusted to reflect stock dividend

Income Account*
(millions)

Year ended March 31		1991		1990
Net sales	¥	3,616,517	¥	2,879,856
Other income		74,259		65,386
Total income	¥	3,690,776	¥	2,945,242
Cost of sales		2,505,554		1,938,016
Expenses		887,773		712,035
Interest income		(64,892)		(44,190)
For. exch. gain		(37,209)		—
Other income		(40,475)		(47,363)
Interest expense		102,681		70,883
For. exch. loss		—		39,724
Other expense		72,753		48,708
Income before taxes	¥	264,591	¥	227,429
Income taxes		152,398		126,976
Eq. in earn. of affil. cos.		(4,732)		(2,355)
Net Income	¥	116,925	¥	102,808

* Included in Costs and Expenses, Depreciation and Amortization ¥ 214,116,000,000 in 1991 and ¥ 164,751,000,000 in 1990.

Assets
(millions)

As of March 31		1991		1990
Cash & cash equiv	¥	442,972	¥	451,668
Time deposits		114,700		182,533
Marketable securities		33,546		54,784
Accts. receiv., net		700,397		650,390
*Inventories		731,706		692,966
Prepaid expenses		65,087		57,637
Prepaid expenses		146,087		111,555
Current Assets	¥	2,234,495	¥	2,201,533
Inventories - film		198,253		168,788
Investments & advances		213,677		168,362
#Fixed assets		1,046,786		868,128
Other assets		909,284		963,274
Total Assets	¥	4,602,495	¥	4,370,085

Liabilities
(millions)

Short-term borrowings	¥	778,554	¥	757,017
Long-term debt, curr		12,369		76,715
Notes & accts. payable		665,734		580,932
Notes payable-construction		30,251		27,375
Dividends payable		8,788		8,770
Accrued taxes		123,960		112,664
Other accruals		484,935		432,418
Curr. Liabilities	¥	2,104,591	¥	1,995,891
Long-term debt		694,522		645,969
Accrued pension costs		74,121		70,949
Deferred inc. taxes		58,459		46,493
Other liabilities		173,316		163,846
Minority interest		21,072		16,879
+Common stock		296,483		278,038
Add. paid-in capital		437,921		419,417
Legal reserve		16,295		13,566
Retained earnings appropr. for special allow.		26,151		20,547
Retained earnings		766,390		674,962
Cum. trans. adjust.		(66,826)		23,528
Total Liabilities & Shareholders' Equity	¥	4,602,495	¥	4,370,085

‡ Restated.
* At average cost, not in excess of market. Finished products of certain subsidiary companies at FIFO.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.32	7.90
% Net Income to Sales	3.23	3.57
% Net Income to Equity	7.92	7.19
Sales to Inventories	4.94	4.16
Debt to Equity	1.01	1.03
Working Capital (000's)	¥ 129,904,000	¥ 205,642,000
Current Ratio	1.06	1.10
Shareholders' Equity (000's)	¥1,476,414,000	¥1,430,058,000

Sparton Corporation

2400 East Ganson Street
Jackson, Michigan 49202
(517) 787-8600
FAX (517) 787-8046

Officers: John J. Smith, chairman of the board & chief executive officer; David W. Hockenbrocht, president & chief operating officer; Richard D. Mico, v.p. & gen. mgr.-Sparton Technology, Inc.; Lawson K. Smith, president-Sparton Engineered Products, Inc.-Lake Odessa Group; Steven G. Hubble, v.p. & gen. mgr.-Sparton Engineered Products, Inc.-Flora Group; Richard C. French, v.p. & gen. mgr.-Sparton Engineered Products, Inc.-KPI Group; Richard H. Nichols, v.p., assistant secretary; Christopher L. Corbin, v.p.-gen. mgr.-Sparton of Canada, Ltd.; Jerry R. Gause, v.p. & gen. mgr.-Sparton Engineered Products, Inc.-Lake Odessa Group; R. Jan Appel, v.p., general counsel & asst. secretary; Richard L. Langley, asst. treasurer; Joseph S. Lerczak, asst. treasurer.

Directors: Marshall V. Noecker, John J. Smith, Lawson K. Smith, James N. DeBoer, Blair H. Thompson, David W. Hockenbrocht, Robert J. Kirk, Bill H. Bowerman.

Divisions and Subsidiaries:

Sparton Defense Electronics Group
Johnson Lake Road
Box 788
DeLeon Springs, Florida 32130
(904) 985-4631

Sparton Electronics Division
2400 East Ganson Street
Jackson, Michigan 49202
(517) 787-8600

High reliability electronic, electro-mechanical and mechanical equipment for the U.S. and foreign military for anti-submarine warfare, underwater ordnance, communications, oceanography and contract electronics manufacturing.

Sparton Electronics Washington Office
1215 Jefferson Davis Highway
Chrystal Gateway III, Suite 307
Arlington, Virginia 22202

Sparton Electronics Florida, Inc.
Brooksville, Florida

Sparton of Canada, Ltd.
99 Ash Street
London, Ontario N5Z 4V3 Canada
(519) 455-6320

Defense technology for Canadian, U.S. and NATO governments, including sonar transducers, sonobuoys, oceanographic sensor systems, ice penetrating devices, and electronic design technology.

Sparton Technology, Inc.
4901 Rockaway Blvd., S.E.
Rio Rancho, New Mexico 87124

Microprocessor-based systems for telephone cable pressure monitoring and building energy management; pressure and flow transducers for the telephone industry, aerospace and others; printed circuit manufacture; contract-manufacturing, including electronic and electro-mechanical assemblies; intrusion detection sensors and systems; and automatic utility meter reading and other enhanced residential services.

Sparton Technology, Inc.
9621 Coors Road, N.W.
Albuquerque, New Mexico 87103
(505) 898-1150

Deming Electronics
Deming, New Mexico

Sparton Engineered Products-Flora Group
P.O. Box 399
Old U.S. Highway 50, W.
Flora, Illinois 62839
(618) 662-2101

Automobile, truck, marine, ordnance and industrial horns; truck and ordnance directional signals; automotive and marine safety accessories; automotive stampings; electronic sensors; crossbeams; lights; chimes; and telecommunication products.

Sparton Engineered Products-Flora Group
1000 John R. Suite 202
Troy, Michigan 48083
Grayville, Illinois

Sparton Engineered Products-Lake Odessa Group
1201 North 4th Avenue
Lake Odessa, Michigan 48849
(616) 374-8863

Automotive mechanical controls and modular assemblies; parking brakes; wire forms and threaded parts; exhaust system and catalytic converter hangers; brackets; brake, clutch and accelerator pedal modules; seating hardware; and pipe clamps.

Sparton Engineered Products-Lake Odessa Group, Sales Office
2075 W. Big Beaver, Suite 222
Troy, Michigan 48084
Kentwood, Michigan

Sparton Engineered Products-KPI Group
427 N. Griffin Street
Grand Haven, Michigan 49417
(616) 842-5800
White Cloud, Michigan
Brownstown, Indiana
Spring Lake, Michigan

Engineered metal stamping assemblies; hood mechanisms; manual and automatic shifters; air bag components; latches; fuel filler doors; tailgate handles and hinges; tire carriers; and ashtrays.

Sparton Engineered Products-Grand Haven Group, Sales Office
3221 W. Big Beaver Road, Suite 204
Troy, Michigan 48084

Transfer Agent(s):

The Huntington National Bank
917 Euclid Avenue
Cleveland, Ohio 44115

Mellon Securities Transfer Service
120 Broadway
33rd Floor
New York, New York 10271

Stock Exchange(s): New York

Ticker Symbol: SPA

Number of Employees:

1990	2,900	1987	3,000
1989	2,900	1986	3,600
1988	2,600		

Sales & Earnings

	Net Sales †	Net Income
1990	$ 178,138,478	$ (9,314,160)
1989	148,126,813	(6,337,749)
1988	201,823,034	11,196,498
1987	219,427,357	10,043,953
1986	243,900,149	8,996,610

	No. of Com. Shares +	Earn. per Share +
1990	7,826,808	$ —
1989	7,914,272	—
1988	7,914,272	1.41
1987	7,911,351	1.27
1986	7,890,903	1.14

(Loss)
† Manufacturing revenues, of continuing operations only
+ Based on the weighted average number of shares outstanding

Revenues by Line of Business

	1990	1989
Electronics	$ 107,806,247	$ 67,069,310
Industrial products	70,332,231	81,057,503
Total	$ 178,138,478	$ 148,126,813

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.26	—	—
1989	0.52	—	—
1988	0.52	—	—
1987	0.52	—	—
1986	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 48,178,196	$ 6.18
1989	60,542,022	7.65
1988	70,995,192	8.97
1987	63,914,115	8.08
1986	57,827,567	7.32

Income Account *

Year ended June 30	1990	1989
Net sales	$ 178,138,478	$ 148,126,813
Cost of sales	167,023,459	129,350,331
Expenses	22,902,072	23,380,047
Interest expense	3,490,703	2,101,079
Other income	(1,380,998)	(1,564,737)
Loss bef. taxes	$ (13,896,758)	$ (5,139,907)
Tax credit	(6,246,000)	(2,425,000)
Loss - cont. oper.	$ (7,650,758)	$ (2,714,907)
Loss - discont. oper.	(1,663,402)	(3,622,842)
Net Loss	$ (9,314,160)	$ (6,337,749)

* Included in Costs and Expenses. Depreciation: $2,993,845 in 1990 and $3,007,845 in 1988.

Assets

As of June 30	1990	1989
Cash & cash equiv.	$ 7,118,861	$ 6,729,389
Income taxes recov.	7,545,040	5,753,273
Accts. receiv., net	26,034,141	21,876,326
*Inventories	54,761,055	44,974,627
Prepaid expenses	2,616,577	2,204,034
Net assets-discont. oper.	1,080,595	1,744,755
Current Assets	$ 99,156,269	$ 83,282,404
‡Fixed assets	18,332,479	19,229,085
Net assets-discont. oper.	8,006,789	10,931,569
Other assets	1,814,868	1,624,178
Total Assets	$ 127,310,405	$ 115,067,236

Liabilities

	1990	1989
Notes payable	$ 42,600,000	$ 27,600,000
Accts. payable	24,541,853	14,325,937
Salaries and wages	1,998,130	1,879,745
Income taxes	31,411	526,440
Accruals	3,529,033	3,016,383
Net liab.-discont. oper.	2,390,846	2,327,317
Dividends declared	—	1,028,855
Curr. Liabilities	$ 75,091,273	$ 50,704,677
Deferred compensation	1,508,071	1,359,596
Deferred inc. taxes	1,295,000	1,071,000
Long-term oblig.	1,237,865	1,389,941
+Common stock	9,739,590	9,892,840
Add. paid-in capital	371,377	377,225
Retained earnings	38,067,229	50,271,957
Total Liabilities & Shareholders' Equity	$ 127,310,405	$ 115,067,236

* At lower of cost (FIFO) or market
‡ Less accumulated depreciation
+ $1.25 par value

Statistical Summary

	1990	1989
Sales to Inventories	3.25	3.29
Debt to Equity	0.91	0.48
Working Capital	$ 24,064,996	$ 32,577,727
Current Ratio	1.32	1.64
Shareholders' Equity	$ 48,178,196	$ 60,542,022

Spectrum Control, Inc.

2185 West Eighth Street
Erie, Pennsylvania 16505
(814) 455-0966
FAX: (814) 455-2550

Officers: Thomas L. Venable, chairman of the board & president; Geoffrey Robinson, sr. v.p.-engineering; Glenn L. Warnshuis, sr. v.p.-engineering; Elmer Ziegler, v.p.-quality control; John R. Lane, exec. v.p.; Peter Rode, v.p.-manufacturing; Jon VanAmringe, sr. v.p. & chief financial officer; James A. Siegel, treasurer; Louise A. Stuart, v.p.-manufacturing; H. Jack Baker, v.p.-engineering; James F. Toohey, secretary; John P. Freeman, controller; Karen L. Phelps, asst. secretary.

Directors: John P. Leemhuis, John M. Petersen, Gerald A. Ryan, Glenn Warnshuis.

Areas of Work: Designs, manufactures and markets electro-magnetic components which are used to filter out electronic pollution or interference in modems, communication receivers, and other electronic equipment.

Divisions:

Electromagnetic Division
8061 Avonia Road
Fairview, Pennsylvania 16415

Material Science Division
600 Erie Street
Saegertown, Pennsylvania 16433

Connecting Devices Division
6000 West Ridge Road
Erie, Pennsylvania 16506

Subsidiaries:

Spectrum Control GmbH
Hansastrasse 6
D-8540 Schwabach, West Germany

Spectrum Engineering International, Inc.
3411 Silverside Road
Wilmington, Delaware 19810
Domestic International Sales Corporation (DISC)

Spectrum Control, Inc. (Delaware)
3411 Silverside Road
Wilmington, Delaware 19810
Investment company.

Spectrum Control Technology, Inc.
4100 Michoud Boulevard
New Orleans, Louisiana 70129-2284

Transfer Agent(s):

Maryland National Bank
B & O Building
Two North Charles Street
Fourth Floor
Baltimore, Maryland 21201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPEC (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1990	$ 31,992,000	$ (14,429,000)
1989	32,018,000	(846,000)
1988	29,788,523	(2,723,354)
1987	33,657,682	32,796
1986	25,979,022	3,318,798

	No. of Com. Shares	Earn. per Share ‡
1990	9,577,170	$ —
1989	5,429,785	—
1988	5,396,937	—
1987	5,370,879	0.01
1986	5,346,865	0.62

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	0.07	—	—
1987	0.07	—	—
1986	0.07	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 7,461,000	$ -0.78
1989	16,664,000	3.07
1988	17,468,659	3.24
1987	19,649,637	3.66
1986	20,946,958	3.92

Spectrum Control, Inc.

Income Account *

Year ended Nov. 30	1990	1989
Net sales	$ 31,992,000	$ 32,018,000
Cost of sales	23,523,000	21,475,000
Expenses	10,792,000	10,431,000
Loss on write-down of assets	11,268,000	—
Investment income	(80,000)	(238,000)
Interest expense	2,597,000	2,253,000
Gain on sale of aircraft	—	(625,000)
Loss on for. curr. trans.	171,000	—
Loss bef. taxes	$ (16,279,000)	$ (1,278,000)
Tax credit	(1,850,000)	(432,000)
Net Loss	$ (14,429,000)	$ (846,000)

* Included in Costs and Expenses, Depreciation and Amortization: $2,857,000 in 1990 and $2,627,000 in 1989.

Assets

As of Nov. 30	1990	1989
Cash & short-term invest.	$ 482,000	$ 497,000
Accts. receiv., net	5,465,000	5,441,000
*Inventories	10,968,000	14,548,000
Refund inc. taxes	156,000	161,000
Prepaid expenses	102,000	142,000
Current Assets	$ 17,173,000	$ 20,789,000
≠Fixed assets	22,858,000	34,445,000
Other assets	757,000	1,697,000
Total Assets	$ 40,788,000	$ 56,931,000

Liabilities

Short-term debt	$ 5,342,000	$ 10,058,000
Long-term debt, curr.	2,275,000	8,109,000
Accts. payable	1,653,000	4,158,000
Accrued salaries	1,121,000	1,385,000
Accrued interest	107,000	175,000
Other accruals	999,000	655,000
Deferred revenue	—	85,000
Curr. Liabilities	$ 11,497,000	$ 24,625,000
Long-term debt	21,830,000	13,536,000
Deferred revenue	—	256,000
Deferred inc. taxes	—	1,850,000
+Common stock	11,748,000	6,741,000
Retained earnings (deficit)	(4,147,000)	10,282,000
For. curr. adjustment	(140,000)	(359,000)
Total Liabilities & Shareholders' Equity	$ 40,788,000	$ 56,931,000

* At lower of cost (standard) or market.
≠ Less accumulated depreciation.
+ No par value.

Statistical Summary

Sales to Inventories	2.92	2.20
Debt to Equity	3.95	1.90
Working Capital	$ 5,676,000	—
Current Ratio	1.49	—
Shareholders' Equity	$ 7,461,000	$ 16,664,000

Spire Corporation

One Patriots Park
Bedford, Massachusetts 01730-2396
(617) 275-6000
FAX: (617) 275-7470

Officers: Roger G. Little, chairman, chief executive officer & president; Benjamin R. Foster, v.p.-corporate projects; Richard S. Gregorio, treasurer; Stephen M. Honig, clerk; Robert G. Wolfson, sr. v.p.-business development; Ghazi Darkazalli, v.p.-equipment; Piran Sioshansi, v.p.-ion implantation; Bobby Buchanan, v.p.-strategic technology.

Directors: Roger G. Little, chairman; Alfred John Gale, James D. Gerson, John A. Tarello, Carl N. Graf, Howard Scharfman, Jack T. Sanderson.

Areas of Work: The company produces high quality metal organic chemical vapor deposition epi-structures, epitaxial silicon materials and silicon-on-sapphire wafers. The company also provides ion implantation surface modification processing services to manufacturers of various biomedical components, high performance bearings and specialized tooling. The company also participates in contract supported programs aimed at addressing both basic and applied Research & Development, as well as test and evaluation of specific applications. In addition, the Company designs, manufactures and markets equipment that produces: (1) complex semiconductor and optoelectronic materials, such as layered gallium arsenide structures, (2) photovoltaic cells and modules and (3) ancillary equipment for surface modification ion implanters.

Divisions & Subsidiaries:

Spire International Sales Corporation

Transfer Agent(s):

American Stock Transfer & Trust Co.
40 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPIR (NASDAQ)

Number of Employees:

1990	162	1987	158
1989	181	1986	165
1988	172		

Plant Footage:

1990	74,000 sq. ft.	1987	74,000
1989	74,000	1986	74,000
1988	74,000		

Sales & Earnings

	Revenues	Net Income
1990	$ 17,791,000	$ (834,000)
1989	19,530,000	406,000
1988	17,633,000	74,000
1987	11,329,000	(1,367,000)
1986	12,604,000	826,000

	No. of Com. Shares ≠	Earn. per Share ≠
1990	3,487,000	$ —
1989	3,520,000	0.12
1988	3,492,000	0.02
1987	3,512,000	—
1986	3,505,000	0.24

(Loss)
≠ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 10,050,000	$ 2.88
1989	10,911,000	3.10
1988	10,485,000	3.00
1987	10,428,000	2.97
1986	11,764,000	3.36

‡ Based on the weighted average number of common shares outstanding.

Income Account*

Year ended Dec. 31	1990	1989
Contract & serv. revenues	$ 15,720,956	$ 15,732,164
Sales of mfg. equip.	2,070,099	3,797,421
Total sales & revenues	$ 17,791,055	$ 19,529,585
Cost of sales & revenues	13,934,029	14,860,154
Expenses	4,412,525	3,843,692
Interest expense	266,258	363,702
Inc. (loss) bef. taxes	$ (821,757)	$ 462,037
Income taxes	12,000	56,000
Net Income (Loss)	$ (833,757)	$ 406,037

* Included in Costs and Expenses, Depreciation and Amortization: $2,264,465 in 1990 and $2,137,713 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 729,501	$ 158,610
Short-term invest.	500,000	—
Accts. receiv., net	3,680,270	5,852,848
*Inventories	1,293,243	1,379,230
Prepaid expenses	329,446	735,426
Current Assets	$ 6,532,460	$ 8,126,114
≠Fixed assets	8,486,735	9,242,045
Computer software costs	193,379	341,408
Intangibles	253,132	221,469
Other assets	29,735	34,387
Total Assets	$ 15,495,441	$ 17,965,423

Liabilities

Notes payable	$ —	$ 1,020,000
Long-term debt, curr.	500,000	—
Cap. lease oblig., curr.	13,971	—
Accts. payable	1,008,106	1,483,510
Accruals	899,734	1,029,441
Advances on contracts	110,562	175,962
Curr. Liabilities	$ 2,532,373	$ 3,708,913
Deferred income taxes	345,300	345,300
Long-term debt	2,500,000	3,000,000
Cap. lease oblig.	68,258	—
+ Common stock	34,869	34,869
Add. paid-in capital	8,371,148	8,399,091
Retained earnings	1,643,493	2,477,250
Total Liabilities & Shareholders' Equity	$ 15,495,441	$ 17,965,423

* At lower of cost (average) or market.
≠ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Revenues	—	2.37
% Net Income to Revenues	—	2.08
% Net Income to Equity	—	3.72
Debt to Equity	0.31	0.37
Working Capital	$ 4,000,087	$ 4,417,201
Current Ratio	2.58	2.19
Shareholders' Equity	$ 10,049,510	$ 10,911,210

Square D Company

Executive Plaza
Palatine, Illinois 60067
(312) 397-2600
FAX: (312) 397-8814

Officers: J.L. Stead, chairman, president & chief executive officer; Charles W. Denny, III, exec. v.p.-electrical distribution center; Donald E. Marquart, exec. v.p.-international sector; Dexter S. Free, corp. v.p., treasurer & asst. secretary; W.W. Kurczewski, corp. v.p., general counsel & sec.; Robert R. Carpenter, corp. v.p.-support operations; Philip H. Francis, corp. v.p.-corp. technology center; J.K. Glore, corp. v.p.-sales; Charles E. Quentel, III, corp. v.p.-engineering; J. Vikmanis, corp. sr. v.p.-quality & technology; T.L. Bindley, exec. v.p-finance & chief financial officer; J.C. Garrett, exec. v.p.-industrial control sector; C.L. Hite, corp. v.p.-human resources

Directors: Michel L. Besson, Donald C. Clark*, George B. Beitzel, Robert F. Froehlke, C. Roland Haden, Sheldon B. Lubar, Leo J. McKernan, Frank J. Morgan*, John B. Schwemm, Jerre L. Stead*, Alfred M. Zeien

* Member of the Executive Committee

Areas of Work: The Company is involved in two business segments: electrical equipment and electronic products. The electrical equipment group manufactures and markets electrical products including switches, circuit breakers, panelboards, switchboards, transformers, motor starters, relays and accessories such as pushbuttons, and limit, pressure and vacuum switches. The products are marketed to electrical contractors, electrical utilities and industrial plants.

The electronic products segment is engaged in the manufacture and sale of electrodeposited copper foil, semiconductor devices, power conditioning equipment, programmable controllers, energy management systems, infrared radiation thermometers and pyrometers, computerized control and data gathering systems, snap dome switches and other electronic devices.

Subsidiaries:

Square D Canada Electrical Equipment Inc.
Toronto, Ontario, Canada

Equipment Electrique Square D Canada Inc.
Mississauga, Ontario, Canada

Square D Limited
Swindon, England

Square D de Mexico, S.A. de C.V.
Mexico City, Mexico

Versamex S.A. de C.V.
Mexico City, Mexico

Square D Italia, S.p.A.
Arenzano, Italy

Square D Company Australia Pty. Ltd.
Melbourne, Australia

Square D Company Ireland Ltd.
Ballinasloe
County Galway, Ireland

Square D Japan Ltd.
Osaka, Japan

Square D France S.A.
Paris, France

Square D GmbH
Darmstadt, West Germany

Ircon Pyrometers, Inc.
Cedex, France

Ircon GmbH
Taunusstein, West Germany

Square D Starkstrom GmbH
West Germany

Square D Andina, S.A.
Latacunga, Ecuador

Square D Centroamericana, S.A.
San Jose, Costa Rica

Engineered Systems, Inc.
Tempe, Arizona
Control and data gathering systems

KB-Denver, Inc.
Frederick, Colorado
Keyboards, snap dome switches

Square D Espana
Barcelona, Spain

Square D Company (Singapore) Pte. Ltd.
Singapore

Yin Research Corporation
Fremont, California

Square D Benelux B.V.
Woerden, The Netherlands

Square D Company (Hong Kong) Limited
Hong Kong

Square D Company (Thailand) Limited
Bangkok, Thailand

Ircon Limited
Dartford, Kent, England

Square D Ventures Corporation
Palatine, Illinois

Ircon, Inc.
Niles, Illinois
Infrared radiation thermometers

Topaz, Inc.
San Diego, California
Uninterruptible power systems, power conditioners, electronic noise suppression equipment

Square D China Ltd.
Beijing, People's Republic of China

General Semiconductor Ireland Ltd.
Macroom, Irish Republic

Topaz, Inc.-Industrias Electronicas Pacifico, S.A. de C.V.
Tijuana, Mexico

Crisp Automation, Inc.
Dublin, Ohio
A designer of process controls and factory automation systems

Electrical Specialty Products
Montevallo, Alabama
A manufacturer of electrical connectors

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: SQD

N.A. - Not Available

Sales & Earnings

	Net Sales ‡	Net Income
1990	$ 1,651,319,000	$ 120,725,000
1989	1,598,688,000	101,904,000
1988	1,497,772,000	118,934,000
1987	1,330,784,000	110,001,000
1986	1,274,932,000	98,928,000

	No. of Com. Shares	Earn. per Share +
1990	22,886,000	$ 4.94
1989	23,489,000	3.98
1988	25,691,000	4.44
1987	27,660,000	3.82
1986	28,966,000	3.42

‡ Of continuing operations only
+ Based on the weighted average number of shares outstanding during the year

Revenues by Line of Business
(000's)

	1990	1989
Electrical distribution	$ 1,170,420	$ 1,117,619
Industrial control	482,899	481,069
Total	$ 1,651,319	$ 1,598,688

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 2.20	—	—
1989	2.00	—	—
1988	1.94	—	—
1987	1.86	—	—
1986	1.84	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 603,594,000	$ 26.37
1989	556,123,000	23.68
1988	636,029,000	24.76
1987	679,711,000	24.57
1986	670,789,000	23.16

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,651,319	$ 1,598,688
Cost of sales	1,088,977	1,027,348
Expenses	383,903	369,726
Restructuring charge	—	26,320
Other income	(34,740)	(17,106)
Interest expense	28,760	31,438
Income before taxes	$ 184,419	$ 160,962
Income taxes	67,773	59,856
Inc. cont. oper.	$ 116,646	$ 101,106
Inc. discont. oper.	4,079	798
Net Income	$ 120,725	$ 101,904

* Included in Costs and Expenses, Depreciation and Amortization: $59,300,000 in 1990 and $49,443,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & short-term invest.	$ 244,933	$ 66,348
Accts. receiv., net	305,241	314,123
*Inventories	159,109	151,316
Prepaid expenses	12,664	15,206
Prepaid inc. taxes	4,714	—
Deferred inc. tax benefit	34,988	26,459
Net assets-discont. oper.	—	117,116
Current Assets	$ 761,649	$ 690,568
Invest. in lev. leases	137,182	133,344
‡Fixed assets	450,102	418,478
Net assets-discont. oper.	36,681	52,949
Exc. of cost over assets acq.	51,391	50,528
Other assets	22,744	26,718
Total Assets	$ 1,459,749	$ 1,372,585

Liabilities
(000's)

	1990	1989
Short term debt	$ 123,871	$ 263,730
Long term debt, curr.	15,067	10,174
Accts. payable & accruals	220,575	200,686
Income taxes	—	10,327
Dividends payable	12,633	11,893
Curr. Liabilities	$ 372,146	$ 496,810

Long-term debt	244,820	123,420
Deferred inc. taxes	82,381	74,464
Def. inc. taxes - lev. leases	127,699	112,473
Other liabilities	14,000	—
Minority interest	10,941	9,295
+ Preferred stock	124,568	125,000
Note receiv. ESOP Trust	(25,000)	(125,000)
Unearned ESOP comp.	(95,400)	—
++ Common stock	49,601	49,409
Add. paid-in capital	130,401	120,211
Retained earnings	773,126	711,225
Cum. trans. adjust	3,262	(8,788)
Treasury stock	(352,796)	(317,934)
Total Liabilities & Shareholders' Equity	$ 1,459,749	$ 1,372,585

* At lower of cost or market. Domestic valued at LIFO, foreign at FIFO.
# Less accumulated depreciation
+ No par value; cumulative Series A ESOP convertible
++ $1.66 2/3 par value

Statistical Summary

% Net Income to Equity	20.00	18.32
Sales to Inventories	10.19	10.57
Debt to Equity	0.64	0.71
Working Capital	$ 389,503,000	$ 193,758,000
Current Ratio	2.05	1.39
Shareholders' Equity	$ 603,594,000	$ 556,123,000

Standard Logic, Inc.

2841 East La Palma Avenue
Anaheim, California 92806
(714) 632-9292
FAX: (714) 632-9699

Officers: Ernest W. Baumgardner, chairman, chief executive officer, president & chief financial officer; Bruce L. Billington, secretary.

Directors: Ernest W. Baumgardner, Marlan M. Merhab, Bruce L. Billington, Michael A. Reagan.

Areas of Work: The Company manufactures integrated circuit packaging systems and wire wrap machines for use by the electronic manufacturing industry, and provides wire wrap, contract engineering and manufacturing services.

Transfer Agent(s):

Bank of America
Los Angeles, California

Stock Exchange(s): Over-the-Counter, Boston

Ticker Symbol: STDL (NASDAQ); SLO (Boston)

Number of Employees:

1990	12	1987	31
1989	14	1986	45
1988	14		

Plant Footage:

1990	9,600 sq. ft.	1987	20,000
1989	9,500	1986	31,000
1988	20,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,126,762	$ (221,247)
1989	1,922,811	(238,861)
1988	2,407,950	(915,303)
1987	1,311,800	(990,518)
1986	2,412,000	(132,788)

	No. of Com. Shares *	Earn. per Share *
1990	6,402,461	$ —
1989	5,574,118	—
1988	4,990,784	—
1987	4,974,118	—
1986	4,974,118	—

(Loss)
* Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 684,938	$ 0.11
1989	711,412	0.13
1988	844,648	0.17
1987	1,760,151	0.35
1986	2,750,669	0.55

Income Account*

Year ended Oct. 31	1990	1989
Net sales	$ 1,126,762	$ 1,922,811
Cost of sales	685,309	1,197,938
Gen. & adm. expenses	575,294	659,864
Selling expenses	115,238	240,610
Product develop. expenses	3,945	58,362
Other expense (income)	(32,077)	4,598
Loss before taxes	$ (220,947)	$ (238,561)
Income taxes	300	300
Net Loss	$ (221,247)	$ (238,861)

* Included in Costs and Expenses, Depreciation and Amortization: $87,494 in 1990 and $79,214 in 1989.

Assets

As of Oct. 31	1990	1989
Cash & cash equiv.	$ 319,189	$ 341,770
Accts. receiv., net	232,938	213,076
*Inventories	103,169	144,864
Prepaid expenses	19,914	42,806
Current Assets	$ 675,210	$ 742,516
#Fixed assets	212,932	256,473
Other assets	19,885	28,431
Total Assets	$ 908,027	$ 1,027,420

Liabilities

Accts. payable	$ 98,293	$ 109,637
Note payable - shareholder	—	70,000
Due to rel. parties	—	65,926
Accrued compensation	49,146	12,732
Other accruals	75,650	57,713
Curr. Liabilities	$ 223,089	$ 316,008
+Common stock	213,234	157,477
Add. paid-in capital	10,451,394	10,300,879
Subscrip. receiv.	(15,250)	(3,750)
Ret. earnings (deficit)	(9,964,440)	(9,743,193)
Total Liabilities & Shareholders' Equity	$ 908,027	$ 1,027,420

* At lower of cost (FIFO) or market.
# Less accumulated depreciation
+ $0.025 par value

Statistical Summary

Sales to Inventories	10.92	13.27
Debt to Equity	—	0.10
Working Capital	$ 452,121	$ 426,508
Current Ratio	3.03	2.35
Shareholders' Equity	$ 684,938	$ 711,412

Standard Microsystems Corporation

80 Arkay Drive
Hauppauge, New York 11788
(516) 273-3100
FAX: (516) 231-6004

Officers: Paul Richman, chairman; Victor F. Trizzino, president & chief exec. officer; Gerald E. Gollub, exec. v.p.; Arthur Sidorsky, exec. v.p.; Walter J. Kmeta, senior v.p.; John Tweedy, vice president; Harry J. Horn, vice president; Ernest W. Sern, vice president; George Houseweart, vice president; Harold I. Kahen, secretary; Anthony M. D'Agostino, controller & treasurer.

Directors: Herman Fialkov, Richard L. Geiger, Paul Richman, Raymond Frankel, John Gatti, Victor F. Trizzino.

Areas of Work: Engaged in the design, development, manufacture and marketing of metal-oxide-semiconductor (MOS) large-scale integrated (LSI) circuits and very large-scale integrated (VLSI) circuits and subsystems. Also designs, develops and markets hardware and software products for the personal computer local area network market.

Subsidiaries:

SMC International, Inc.
Hauppauge, New York

Standard Microsystems Corporations (Asia)
Taipei, Republic of China

Standard Microsystems GmbH
Munich, West Germany

Tokyo Microsystems Corporation
Tokyo, Japan
Markets the Company's products in Japan

Transfer Agent(s):

Mellon Securities Trust Company
120 Broadway
New York, New York 10271

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SMSC (NASDAQ)

Number of Employees:

1991	N.A.	1988	614
1990	453	1987	N.A.
1989	498		

N.A. - Not Available

Plant Footage:

1991	N.A.	1988	243,000
1990	243,000 sq. ft.	1987	197,000
1989	243,000		

N.A.-Not Available

Sales & Earnings

	Revenues	Net Income
1991	$ 87,017,000	$ 1,188,000
1990	77,201,000	4,674,000
1989	71,631,000	(5,925,000)
1988	59,262,000	(3,513,000)
1987	53,155,000	459,000

	No. of Com. Shares	Earn. per Share ‡
1991	11,505,000	$ 0.10
1990	11,436,000	0.41
1989	11,397,000	—
1988	11,263,000	—
1987	11,184,000	0.04

(Loss)
‡ Based on the weighted average number of shares outstanding during the year.

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 88,004,000	$ 7.65
1990	84,986,000	7.43
1989	82,288,000	7.22
1988	87,270,000	7.75
1987	87,125,000	7.80

Income Account

Year ended Feb. 28	1991	1990
Product sales	$ 75,245,000	$ 66,400,000
Licensing revenues	11,772,000	10,801,000
Net sales & revenues	$ 87,017,000	$ 77,201,000
Cost of sales & revenues	49,462,000	40,865,000
Expenses	37,724,000	31,097,000
Interest income	(2,739,000)	(2,749,000)
Interest expense	473,000	529,000
Minority interest	(266,000)	(147,000)
Income before taxes	$ 2,363,000	$ 7,606,000
Income taxes	1,175,000	2,932,000
Net Income	$ 1,188,000	$ 4,674,000

Assets

As of Feb. 28	1991	1990
Cash & cash equiv.	$ 31,070,000	$ 38,868,000
Accts. receiv., net	21,106,000	17,837,000
*Inventories	20,634,000	18,146,000
Other curr. assets	2,421,000	1,435,000
Current Assets	$ 75,231,000	$ 76,286,000
≠Fixed assets	34,543,000	34,832,000
Other assets	1,880,000	2,094,000
Total Assets	$ 111,654,000	$ 113,212,000

Liabilities

	1991	1990
Long-term debt, curr.	$ 93,000	$ 2,470,000
Accts. payable	3,936,000	3,337,000
Accruals & other liab.	3,398,000	4,539,000
Income taxes pay.	692,000	745,000
Curr. Liabilities	$ 8,119,000	$ 11,091,000
Long-term debt	1,783,000	1,876,000
Deferred inc. taxes	1,695,000	2,940,000
Minority interest	12,053,000	12,319,000
+Common stock	1,151,000	1,144,000
Add. paid-in capital	55,904,000	55,472,000
Retained earnings	28,049,000	26,861,000
For. curr. trans.	2,900,000	1,509,000
Total Liabilities & Shareholders' Equity	$ 111,654,000	$ 113,212,000

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Revenues	2.72	9.85
% Net Income to Revenues	1.37	6.05
% Net Income to Equity	1.35	5.50
Debt to Equity	0.02	0.05
Working Capital	$ 67,112,000	$ 65,195,000
Current Ratio	9.27	6.88
Shareholders' Equity	$ 88,004,000	$ 84,986,000

Standex International Corporation

6 Manor Parkway
Salem, New Hampshire 03079
(603) 893-9701
FAX (603) 893-7324

Officers: Daniel E. Hogan, chairman of the board; Thomas L. King, president & chief exec officer; David R. Crichton, exec. v.p.-operations; John M. Wall, v.p.-industrial relations & corporate communications; John J. Bentley, corp. controller; Thomas H. DeWitt, exec. v.p.-administration & general counsel; Lindsay M. Sedwick, v.p., treasurer; Deborah A. Rosen, asst. secretary & sr. corp. attorney; Tom L. Peterson, corp. counsel & secretary; Robert R. Kettinger, asst. corp. controller; Kenneth Foden, asst. corp. controller/Europe; Norman B. Asher, assistant secretary.

Directors: Daniel E. Hogan*, chairman; John Bolten, Jr., William L. Brown*, Warren S. Cooper*, Samuel S. Dennis, III*, Walter F. Greeley, Thomas L. King*, C. Kevin Landry, Sol Sackel, Daniel B. Hogan, H. Nicholas Muller, III, Thomas H. DeWitt

* Member of the Executive Committee

Areas of Work: The Industrial Group manufactures embossing rolls and plates, mold engraving, specialty converting and finishing machinery and systems; ducting for heating, air conditioning, and ventilation systems, hydraulic cylinders, power metal spinning of components for aerospace, energy systems, and industrial applications. The Institutional Products Group manufactures patient-feeding systems, handblown glassware, refrigeration equipment, casters and wheels, cabinets and carts. The Graphics/Mail Order Group publishes religious literature and manufactures election supples; manufactures commercial printing products and educational materials and specialized binding systems. The Electronics Group manufactures electronic components, inductors, capacitors, connectors, microcoils, reed switches and reed relays. The Industrial Group manufactures embossing rolls and plates, mold engraving, specialty converting and finishing machinery and systems; ducting for heating, air-conditioning, and ventilation systems, hydraulic cylinders, power metal spinning of components for aerospace, energy systems, and industrial applications. The Institutional Products Group manufactures patient-feeding systems, handblown glassware, barbecuing and baking equipment, candle-lamps and candles, food waste disposers, refrigeration equipment, slicing machines and choppers, casters and wheels, and food racks, cabinets and carts. The Graphics/Mail Order Group publishes religious literature and manufactures election supplies, manufactures commercial printing products and educational materials and specialized binding systems; operates a chain of 15 Berean religious retail bookstores, and sells grapefruit and other gift packages and fund-raising supplies through other mail order operations.

Electronics Divisions & Subsidiaries:

Standex Electronics
4538 Camberwell Road
Cincinnati, Ohio
(513) 871-3777

Produces a broad range of electronic components and assemblies for industrial and consumer use.

Standex Electronics (UK) Limited
Morley Road
Tonbridge, Kent, England
Tonbridge, 0732 358023, England

Manufacturer of the full range of standard reed switches also vacuum and high pressure reed switches and DIP reed relays for the telecommunications and electronics industries.

S.I. de Mexico S.A. de C.V.
Calle Primera #2550
Agau Prieta
Sonora, Mexico
(602) 364-7966

Manufacturer of electronic components.

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644-Mail Stop 450209
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York

Ticker Symbol: SXI

Number of Employees:

1990	5,000	1987	5,300
1989	4,900	1986	5,300
1988	4,900		

Plant Footage:

1990	3,560,000 sq. ft.	1987	3,443,000
1989	3,530,000	1986	4,161,000
1988	3,443,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 460,192,408	$ 22,723,094
1989	443,794,617	22,283,531
1988	429,731,701	13,087,580
1987	409,172,577	17,355,000
1986	376,322,000	15,593,000

	No. of Com. Shares ≠	Earn. per Share ≠
1990	10,212,000	$ 2.23
1989	11,113,000	2.01
1988	11,929,000	1.10
1987	12,350,000	1.41
1986	13,040,000	1.20

≠ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Graphics/mail order	$ 138,456	$ 142,811
Institutional	182,349	169,271
Industrial	138,040	130,719
General, corporate & other	1,347	994
Total	$ 460,192	$ 443,795

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.67	—	—
1989	0.60	—	—
1988	0.55	—	—
1987	0.52	—	—
1986	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 142,406,000	$ 14.67
1989	137,142,000	13.32
1988	156,429,000	13.71
1987	159,664,000	13.05
1986	146,784,000	11.85

Income Account

Year ended June 30	1990	1989
Net sales	$ 460,192,408	$ 443,794,617
Other income	1,644,590	2,247,533
Total income	$ 461,836,998	$ 446,042,150
Cost of sales	302,204,410	289,479,788
Expenses	107,251,720	103,473,370
Depreciation & amortization	11,334,668	10,777,729
Interest expense	8,269,262	6,760,732
Gain on dispos. of Yield House	(1,988,756)	—
Income before taxes	$ 34,766,094	$ 35,550,531
Income taxes	11,043,000	13,267,000
Cum. effect of acct. change	(1,000,000)	—
Net Income	$ 22,723,094	$ 22,283,531

Assets

As of June 30	1990	1989
Cash	$ 7,969,904	$ 7,937,756
Recvs., net	73,123,676	69,570,774
*Inventories	97,281,374	88,838,102
Prepaid expenses	3,686,155	3,365,366
Current Assets	$ 182,061,109	$ 169,711,998
#Fixed assets	85,869,670	82,010,750
Receivables	12,484,395	9,766,015
Intangibles	17,433,455	15,624,913
Total Assets	$ 297,848,629	$ 277,113,676

Liabilities

	1990	1989
Notes payable & long-term debt, curr.	$ 12,636,998	$ 8,255,844
Accts. payable	27,149,048	27,276,727
Accrued payroll	15,821,677	13,579,851
Income taxes	5,654,148	6,978,923
Other curr. liab.	5,577,018	5,715,743
Curr. Liabilities	$ 66,838,889	$ 61,807,093
Long-term debt	72,977,928	64,979,128
Deferred inc. taxes	9,705,116	8,924,000
Other liab.	5,920,366	4,261,066
+Common stock	20,988,209	20,988,209
Add. paid-in capital	5,654,852	6,027,893
Retained earnings	195,548,465	179,572,746
Cum. trans. adjust.	2,920,706	(1,387,303)
Treasury stock	(80,516,256)	(65,226,017)
Loan recev.-Emp. stock trust	(2,189,646)	(2,833,139)
Total Liabilities & Shareholders' Equity	$ 297,848,629	$ 277,113,676

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1.50 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	7.55	8.01
% Net Income to Sales	4.94	5.02
% Net Income to Equity	15.96	16.25
Sales to Inventories	4.73	5.00
Debt to Equity	0.60	0.53
Working Capital	$ 115,222,220	$ 107,904,905
Current Ratio	2.72	2.75
Shareholders' Equity	$ 142,406,330	$ 137,142,389

The L. S. Starrett Company

121 Crescent Street
Athol, Massachusetts 01331-1915
(508) 249-3551
FAX: (508) 249-8495

Officers: Douglas R. Starrett, president; George B. Webber, vice president-Webber Gage Division; Douglas A. Starrett, vice president-operations; Charles H. Morrow, vice president-sales; Roger U. Wellington, Jr., treasurer & chief financial officer; Peter Macdougall, clerk.

Directors: John N. Engelsted, Douglas R. Starrett, George B. Webber, Douglas A. Starrett, J. Richard Bullock, Andrew B. Sides, Jr., Roger U. Wellington, Jr.

Areas of Work: Manufactures and sells electronic gages, dial indicators, precision measuring tools, three-axis coordinate measuring machines, steel tapes, gageblocks, optical measuring tools, granite surface plates, vises, hacksaws, hole saws, band saws and precision ground flat stock.

Subsidiaries:

The L. S. Starrett Co. of Canada Limited
Starrett Industria e Comercio Ltda. (Brazil)
The L. S. Starrett Company Limited (Scotland)
The L. S. Starrett International Company (Barbados)
Evans Rule Company, Inc.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105-1865

Stock Exchange(s): New York

Ticker Symbol: SCX

Number of Employees:

1990	2,787	1987	2,630
1989	2,781	1986	2,600
1988	2,797		

Plant Footage:

1990	N/A	1987	1,137,200
1989	1,156,600 sq. ft.	1986	1,100,000
1988	1,156,600		

N/A-Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 201,625,000	$ 18,752,000
1989	184,317,000	16,359,000
1988	169,869,000	15,847,000
1987	142,215,000	14,369,000
1986	123,881,000	12,701,000

	No. of Com. Shares †	Earn. per Share ‡
1990	6,892,447	$ 2.71
1989	6,874,583	2.36
1988	6,904,898	2.29
1987	6,926,724	2.05
1986	7,053,742	1.77

† Adjusted to reflect stock split.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.650	—	—
1989	0.630	—	2-for-1
1988	0.585	—	—
1987	0.550	—	—
1986	0.540	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 127,693,000	$ 18.53
1989	111,064,000	16.16
1988	101,711,000	14.73
1987	87,878,000	12.69
1986	78,908,000	11.19

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended June 30	1990	1989
Net sales	$ 201,625	$ 184,317
Cost of sales	131,746	121,626
Expenses	37,191	33,327
Other expense	4,271	5,903
Income before taxes	$ 28,417	$ 23,461
Income taxes	9,665	7,102
Net Income	$ 18,752	$ 16,359

* Included in Costs and Expenses, Depreciation and Amortization: $6,860,000 in 1990 and $6,423,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash and cash equiv.	$ 15,890	$ 20,056
Accts. recev., net	28,549	25,017
*Inventories	60,500	55,346
Prepaid expenses	2,853	3,319
Current Assets	$ 107,792	$ 103,738
#Fixed assets	50,936	45,100
Cost in exc. of assets acq.	9,306	9,579
Other assets	9,094	5,445
Total Assets	$ 177,128	$ 163,862

Liabilities
(000's)

	1990	1989
Accts. payable & accruals	$ 11,165	$ 13,283
Accrued payroll	4,782	5,032
Income taxes	6,339	4,620
Employee deposits	1,150	1,707
Curr. Liabilities	$ 23,436	$ 24,642
Long-term debt	19,854	22,539
Deferred inc. taxes	6,145	5,617
+Class A Common stock	4,078	3,680
+Class B Common stock	2,814	3,195
Add. paid-in capital	22,520	19,762
Retained earnings	105,038	93,652
For. curr. trans. adj.	(1,603)	(2,986)
ESOP guaranteed loan	(5,154)	(6,239)
Total Liabilities & Shareholders' Equity	$ 177,128	$ 163,862

* At lower of cost (primarily LIFO) or market; remainder at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	14.09	12.73
% Net Income to Sales	9.30	8.88
% Net Income to Equity	14.69	14.73
Sales to Inventories	3.33	3.33
Debt to Equity	0.16	0.20
Working Capital	$ 84,356,000	$ 79,096,000
Current Ratio	4.60	4.21
Shareholders' Equity	$ 127,693,000	$ 111,064,000

Storage Technology Corporation

2270 South 88th Street
Louisville, Colorado 80028-4310
(303) 673-5020
FAX: (303) 673-5019

Officers: Ryal R. Poppa, chairman, president & chief exec. officer; Robert G. Costain, corp. v.p.-systems development; Lowell Thomas Gooch, exec. v.p.-operations; James M. MacGuire, exec. v.p.-worldwide field operations; Sewell I. Sleek, corp. v.p.-human resources; Gregory A. Tymn, corp. v.p., corp. controller & CFO; Carl R. Vertuca, Jr., corp. v.p. & treasurer; David E. Lacey, corporate controller; W. Russell Wayman, v.p., general counsel & corp. secretary.

Directors: Ryal R. Poppa, chairman; Richard C. Steadman, Robert E. LaBlanc, Harrison Shull, Robert A. Burgin, Robert E. Lee, Paul Friedman, Stephen J. Keane, Robert C. Wilson.

Areas of Work: Engaged in the design, development, manufacture, marketing and servicing of information storage and retrieval equipment for use with high-performance computers. Principal products include high-performance tape, disk and printer subsystems.

Subsidiaries:

Media Technology Corporation

Documation Incorporated

Storage Technology Finance Corporation

Storage Technology of Australia Pty. Ltd
586 Pacific Highway
Chatswood, New South Wales 2067, (Sydney) Australia

Storage Technology of Canada, Ltd
51 International Boulevard
Rexdale/Toronto, Ontario M3W 6H3, Canada

Storage Technology Corporation, S.A
Zone Industrielle
41 Rue Fourny
78350 BUC, France

Storage Technology Italia S.p.A
Via Elio Vittorini, 78
Palazzo Uffici
00144 Rome, Italy

Nippon STC Kabushiki Kaisha
Taneda Building, 8F, 2-5, 1-Chome
Moto Akasaka
Minato-Ku, Tokyo 107, Japan

Storage Technology Corporation de Puerto Rico Inc
Highway 127, Lot #13, P.O. Box 7334
Ltuge Industrial Park
Ponce 00731, Puerto Rico

Storage Technology (Switzerland) A.G.
Gladbachstrasse 121
Zurich 8044, Switzerland

Storage Technology (Europe) Limited
European Headquarters
17 Old Court Place
Kensington, London W8 4PL, England

Aspen Peripherals Corp.
Aspen, Colorado

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York, Boston, Philadelphia, Pacific.

Ticker Symbol: STK

Number of Employees:

1990	9,100	1987	N.A.
1989	9,300	1986	8,608
1988	8,500		

Plant Footage:

1990	2,158,000 sq. ft.	1987	N.A.
1989	N.A.	1986	2,020,000
1988	1,600,000		

N.A. - Not Available.

Sales & Earnings

	Revenue‡	Net Income ‡
1990	$ 1,140,601,000	$ 69,315,000
1989	982,520,000	47,749,000
1988	883,735,000	35,047,000
1987	754,864,000	(360,204,000)
1986	696,166,000	30,283,000

	No. of Com. Shares +	Earn. per Shares ‡ +
1990	31,806,000	$ 2.18
1989	26,036,000	1.83
1988	26,059,000	1.34
1987	24,680,000	—
1986	N.A.	1.30

(Loss)
N.A. - Not Available.
‡ Including extraordinary gains of $11,300,000 ($0.43 per share) in 1989, $19,335,000 in 1986 and extraordinary losses of $1,304,000 ($0.04 per share) in 1990 and $380,739 in 1987.
+ Based on the average number of shares outstanding adjusted to reflect reverse stock split.

Revenues by Line of Business

	1990	1989	1988	1987
Serial access subsystems	72.5 %	63.3 %	48.7 %	34.9 %
Random access subsystems	16.2	23.0	34.3	45.1
Printer subsystems	11.3	13.7	17.0	20.0
Total	100.0 %	100.0 %	100.0 %	100.0 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	1-for-10

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 530,202,000	$ 16.67
1989	337,143,000	12.95
1988	286,200,000	10.98
1987	248,447,000	10.07
1986	(16,087,000)	—

(Deficiency)
‡ Based on the average number of shares outstanding adjusted to reflect reverse stock split.

Income Account *
(000's)

Year ended	12/28/90	12/29/89
Net sales	$ 814,874	$ 690,474
Rental & service inc	325,727	292,046
Total revenue	$ 1,140,601	$ 982,520
Cost of revenue	772,987	676,830
Expenses	286,888	249,356
Interest expense	41,239	49,274
Interest income	(36,032)	(31,489)
Income before taxes	$ 75,519	$ 38,549
Income taxes	4,900	2,100
Net Income	$ 70,619	$ 36,449
Extraord. items	(1,304)	11,300
Net Income & extraord. items	$ 69,315	$ 47,749

* Included in Costs and Expenses: Depreciation and Amortization: $109,917,000 in 1990 and $106,403,000 in 1989.

Assets
(000's)

As of	12/28/90	12/29/89
Cash & cash equiv.	$ 63,825	$ 61,398
Accts. receiv., net	215,570	189,290
Notes receiv., net	15,643	12,979
Sales-type leases	96,676	81,386
*Inventories	123,270	132,875
Current Assets	$ 514,984	$ 477,928
Notes receiv., net	19,598	24,586
Sales-type leases	164,765	135,353
#Computer periph. equip	73,417	90,008
#Fixed assets	188,444	172,720
†Spare parts	35,811	44,225
Other assets	50,865	32,159
Total Assets	$ 1,047,884	$ 976,979

Liabilities
(000's)

	12/28/90	12/29/89
Long-term debt, curr.	$ 59,107	$ 26,471
Nonrecourse borrowings	46,712	37,295
Deferred interest pay	—	12,024
Accts. payable	42,509	52,039
Accruals	145,299	140,700
Income taxes pay	6,314	7,063
Curr. Liabilities	$ 299,941	$ 275,592
Long-term debt	155,299	309,838
Deferred interest pay	—	3,006
Nonrecourse borrowings	61,155	49,783
Deferred income taxes	1,287	1,617
+Common stock	3,287	2,570
Add. paid-in capital	1,030,604	903,121
Retained earnings (deficit)	(498,969)	(568,284)
Treasury stock	(630)	(264)
Cum. trans. adjust	(273)	—
Unearned compensation	(3,817)	—
Total Liabilities & Shareholders' Equity	$ 1,047,884	$ 976,979

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
† Less accumulated amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Revenues	6.62	3.92
% Net Income to Revenues	6.19	3.71
% Net Income to Equity	13.32	10.81
Debt to Equity*	0.61	1.26
Working Capital	$ 215,043,000	$ 202,336,000
Current Ratio	1.72	1.73
Shareholders' Equity	$ 530,202,000	$ 337,143,000

Stratus Computer, Inc.

55 Fairbanks Boulevard
Marlboro, Massachusetts 01752
(508) 460-2000
FAX: (508) 481-8945

Officers: William E. Foster, president & chief executive officer; Robert A. Freiburghouse, v.p. & gen. mgr.-Telecommunications Div.; Richard L. Tarulli, v.p. & gen. mgr.-North American Operations; Paul R. Tucker, v.p. & gen. mgr.-International Operations; Gary E. Haroian, v.p. & gen. mgr.-Corporate Operations; Robert E. Donahue, v.p., finance & chief financial officer; Michael McConnell, treasurer; Frederick S. Prifty, general counsel & clerk; Rob Albers, v.p.; James E. D. Austin, v.p.-corp. marketing; John H. Curtis, v.p.-international sales; William B. Elliott, v.p.-strategic planning; Michael J. Grady, v.p.-customer service, sales & marketing support; Dominick A. Grieco, v.p.-product Support; Ray Hermo, v.p.-direct sales; Raefail K. Irvine, v.p.-Western Development; Paul R. Jones, v.p.-engineering; William J. McBride, v.p.-hardware engineering; William J. Murphy, v.p.-customer service; Gary H. Okimoto, v.p.-software engineering. J. Donald Oldham, v.p.-sales. Stephanie S. Smith, v.p.-product marketing. John F. Young, v.p.-human resources. Joseph W. Sullivan, v.p.-manufacturing operations.

Directors: Alexander V. d'Arbeloff, Arthur Carr, Paul J. Ferri, William E. Foster, Gardner C. Hendrie, Robert M. Morrill.

Areas of Work: Designs, manufactures, markets and services a family of fault-tolerant Continuous Processing Systems for on-line transaction processing and communications control.

Subsidiaries:

Stratus Computer PTY, Ltd.
8 Thesiger Court
Deakin, ACT 2600, Australia

Stratus Computer PTY, Ltd.
580 St. Kilda Road
Melbourne, VIC 3004, Australia

Stratus Computer PTY, Ltd.
Level 14
99 Walker Street
New South Wales, Australia

Stratus Computer Corp.
120 Adelaide Street West
Suite 2000
Toronto, Ontario M5H 1H, Canada
(416) 947-9504

Stratus Computer, OY
Malmin Kauppatie 8
00700 Helsinki, Finland
358-0-35-11144

Stratus Computer, S.A.
Avenida d Burhos,8-5 planta
28036 Madrid, Spain
34-1-383-91-03

Stratus Computer Corporation
Montreal, Quebec, Canada

Stratus Computer
Tour Leopold, 4th Floor
Rue de Geneve 10
1140 Brussels, Belgium
322-242-4119

Stratus Computer, Ltd.
Warrington, Great Britain

Stratus Computer (Singapore) Pte. Ltd.
Level 36 Hong Kong Building
16 Raffles Quay
Singapore

Stratus Computer S.A.
14 Rue de Prony
75017 Paris, France
33-1-426-70303

Stratus Computer, GmbH
Frankfurter Strasse 63-69
6236 Eschborn TS, Federal Republic of Germany
49-6196-47250

Stratus Computer (Hong Kong) Limited
1201 Two Pacific Place
Hong Kong
852-5-844-5200

Stratus Japan, K.K.
Shoei Rokubancho Building 4F
6 Rokubancho, Chiyoda-ku
Tokyo 102, Japan
81-3-234-5301

Stratus Computer B.V.
P.O. Box 1300
3600 BH Maarssen
The Netherlands
31-3465-7444

Stratus Computer, Ltd.
Central House Lampton Road
Hounslow, London TW3 1HY, England

Stratus Computer, Ltd.
3rd Floor, Beaufort House
15 St. Botolph Street
London EC3A 7BS, England

Stratus Italia, S.R.L.
Milan, Italy

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SRA (NASDAQ)

Number of Employees:

1990	2,381	1987	1,224
1989	2,147	1986	1,069
1988	1,711		

Plant Footage:

1990	N.A.	1988	427,313
1989	629,400 sq. ft.		

N.A.- Not Available

Sales & Earnings

	Revenues	Net Income
1990	$ 403,850,000	$ 36,987,000
1989	341,327,000	35,393,000
1988	265,314,000	29,344,000
1987	184,150,000	19,395,000
1986	124,559,000	13,519,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	20,894,000	$ 1.77
1989	20,712,000	1.71
1988	20,257,000	1.45
1987	19,974,000	0.97
1986	19,391,000	0.70

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 230,281,000	$ 11.02
1989	183,972,000	8.88
1988	138,985,000	6.86
1987	102,360,000	5.12
1986	75,698,000	3.90

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	12/30/90	12/31/89
Revenues		
Product	$ 340,158	$ 289,394
Service	63,692	51,933
Total income	$ 403,850	$ 341,327
Cost of revenues	165,855	133,714
Expenses		
Res. & develop.	57,432	45,138
Sell., gen. & adm.	129,481	108,782
Other income	(289)	(1,599)
Income before taxes	$ 51,371	$ 55,292
Income taxes	14,384	19,899
Net Income	$ 36,987	$ 35,393

* Included in Costs and Expenses, Depreciation and Amortization: $22,763,000 in 1990 and $18,670,000 in 1989.

Assets
(000's)

As of	12/30/90	12/31/89
Cash & cash equiv.	$ 42,680	$ 32,087
Accts. receiv., net	121,826	114,272
*Inventories	69,528	45,481
Other curr. assets	8,214	5,141
Current Assets	$ 242,248	$ 196,981
#Fixed assets	64,009	67,187
Other assets	14,788	9,930
Total Assets	$ 321,045	$ 274,098

Liabilities
(000's)

Cap. lease oblig., curr.	$ 5,625	$ 5,324
Accts. payable	18,546	13,236
Accrued payroll	14,660	11,535
Other accruals	13,379	12,209
Income taxes	15,197	17,034
Deferred revenue	4,535	1,386
Curr. Liabilities	$ 71,942	$ 60,724
Cap. lease oblig.	14,267	29,402
Def. gain on sale-leaseback	4,555	—
+Common stock	207	202
Add. paid-in capital	83,630	75,601
Retained earnings	146,327	109,340
Cum. trans. adjust.	117	(1,171)
Total Liabilities & Shareholders' Equity	$ 321,045	$ 274,098

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Revenues	12.72	16.20
% Net Income to Revenues	9.16	10.37
% Net Income to Equity	16.06	19.24
Debt to Equity	0.09	0.19
Working Capital	$ 170,306,000	$ 136,257,000
Current Ratio	3.37	3.24
Shareholders' Equity	$ 230,281,000	$ 183,972,000

Sumitomo Heavy Industries, Ltd.

Shin-Ohtemachi Bldg., 2-1, Ohtemachi
2-chome, Chiyoda-ku
Tokyo, Japan
(03) 245-4078

Osaka Office
Sumitomo Bldg., 5-33, Kitahama
4-chome, Chuo-ku
Osaka, Japan
(06) 223-7111

Directors: Shigeru Gohda, chairman; Masataka Kubo, president; Takuro Kaji, exec. managing director; Atsushi Naitoh, exec. managing director; Isao Ohno, executive managing director; Fumio Miyazaki, executive managing director; Tsutomu Kurihara, managing director; Mitoshi Ozawa, managing director; Toshimasa Makino, managing director; Kimimochi Hara, director; Yasuo Ashida, director; Shigetoshi Ochiai, director; Yasufumi Uenoyama, director; Takashi Fuji, director; Kisumu Tasaka, director; Koji Tabata, director; Toshio Kojima, director; Keizaburo Saitama, auditor; Saburo Suzuki, auditor; Hiroshi Hanafusa, auditor.

Divisions and Subsidiaries:

INDUSTRIAL MACHINERY, ENGINES AND CASTING/FORGING MACHINERY

Shin Nippon Machine Mfg., Ltd.
Manufacture and sales of turbines, pumps, fasteners, blowers, heat exchangers, ejectors and marine equipment.

Sumitomo Heavy Industries Forging, Ltd
Manufacture and sales of casting/forging equipment, rollers and sliding nozzles, and other peripheral enterprises

FOOD, CHEMICAL AND ENVIRONMENTAL EQUIP

Sumitomo Jukikai Environment, Inc
Manufacture, sales and peripheral construction of various treatment facilities for clean water, waste water and industrial waste water, garbage disposal equipment, industrial solid separating equipment, resource development facilities and individual units

Japan Air Filter Co., Ltd
Manufacture and sales of air purifying equipment and dust collectors

CONSTRUCTION MACHINERY AND MATERIAL HANDLING FACILITIES

Sumitomo (S.H.I.) Construction Machinery Co. Ltd
Manufacture and sales of construction machinery

SYSTEMS

Lightwell Co., Ltd
Design, production and sales of on-line systems, data processing assistance, and sales of software and related equipment

Lumonics, Inc
Canadian laser manufacturer

Stock Exchange(s): Tokyo

Number of Employees

1990	6,000	1989	6,000

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	¥ 438,654,000	¥ 5,488,000
1989	369,371,000	4,215,000
1988	285,330,000	457,000

	No. of Com. Shares	Earn. per Share +
1990	565,430,000	¥ 9.69
1989	518,594,000	7.44
1988	564,296,000	0.82

¥ - Yen
+ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 4.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	¥ 71,924,000	¥ 127.20
1989	66,483,000	128.20
1988	61,609,000	109.18

Income Account*
(millions)

Year ended Mar. 31	1990	1989
Net sales	¥ 438,654	¥ 369,371
Cost of sales	369,518	320,653
Expenses	48,805	37,898
Interest income	(2,231)	(2,267)
Interest expense	13,326	10,193
Gain on sale of market secur.	(443)	(4,689)
Write-down of investment	—	850
Loss on dispos. of P.P.& E.	70	159
For. curr. exch.	970	(776)
Other expense	1,097	2,413
Income before taxes	¥ 7,542	¥ 4,937
Income taxes	2,745	1,087
Minority interests	515	130
Eq. in earn. of unconsol. subsid. & affil. cos.	(1,206)	(495)
Net Income	¥ 5,488	¥ 4,215

* Included in Costs and Expenses, Depreciation: ¥ 8,585,000,000 in 1990 and ¥ 8,054,000,000 in 1989

Assets
(millions)

As of Mar. 31	1990	1989
Cash & time deposits	¥ 22,909	¥ 44,087
Marketable securities	41,938	42,973
Accts. receiv., net	205,789	177,153
*Inventories	130,754	99,617
Prepaid expenses	25,324	15,432
Current Assets	¥ 426,714	¥ 379,262
#Fixed assets	80,035	67,887
Investments, long-term loans & other assets	34,346	27,490
Total Assets	¥ 541,095	¥ 474,639

Liabilities
(millions)

	1990	1989
Notes payable	¥ 131,801	¥ 131,844
Long-term debt, curr.	28,056	18,875
Accts. payable	139,427	109,369
Advance payments on contracts	44,939	43,273
Accruals	46,418	33,762
Current Liabilities	¥ 390,641	¥ 337,123
Long-term debt	72,605	66,786
Employees' severance	976	1,092
Other liabilities	134	216
For. curr. trans. adjust.	987	—
Minority interest	3,828	2,939
+Common stock	30,872	30,872
Add. paid-in capital	26,752	26,752
Legal reserve	4,690	4,690
Retained earnings	9,611	4,219
Treasury stock	(1)	(50)
Total Liabilities & Shareholders' Equity	¥ 541,095	¥ 474,639

* Work in process is stated principally at cost based on specific method. Finished products, semi-finished products, raw materials and supplies are stated principally at cost based on average method.
# Less accumulated depreciation
+ ¥ 50 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	1.72	1.34
% Net Income to Sales	1.25	1.14
% Net Income to Equity	7.63	6.34
Sales to Inventories	3.35	3.71
Debt to Equity	3.23	3.27
Working Capital (000's)	¥ 36,073,000	¥ 42,139,000
Current Ratio	1.09	1.12
Shareholders Equity (000's)	¥ 71,924,000	¥ 66,483,000

Sun Electric Corporation

One Sun Parkway
Crystal Lake, Illinois 60014
(815) 459-7700
FAX: (815) 459-7852

Officers: Gerald A. Kien, chairman, president & chief executive officer; H. Allan Stark, sr. v.p.-legal & human resources & secretary; Craig A. Loomis, exec. v.p. & pres.-Sun Electric North America; Robert J. Rzadzki, v.p.-engineering; Martin M. Ellen, exec. v.p. & chief financial officer; Ronald J. Ortiz, exec. v.p. & president-Sun Electric International.

Directors: C.J. Gauthier*, Gerald A. Kien*, H. Allan Stark, Craig A. Loomis, Lee N. Mortenson*, Reginald R. Baxter, John C. Page

* Member of the Executive Committee

Areas of Work: Engaged in the design, manufacture and marketing of diagnostic, test and service equipment for the transportation industry, utilizing microcomputer applications and advanced electronics. The company serves primarily the vehicle service industry, consumers, and motor vehicle manufacturers in more than 100 countries. Sun Electric's product line includes engine and emissions analyzers, wheel service equipment, including balancers, aligners and brake service equipment, a line of hand-held engine test equipment for home mechanics and repair professionals, and air conditioning and electrical systems testers. These products aid in vehicle maintenance, improve fuel economy, monitor exhaust emissions and check compliance with safety standards.

Divisions and Subsidiaries:

Vehicle Test Technology, Inc
Bellevue, Washington
Operates vehicle emission inspection stations in the State of Washington.

Sun Electric do Brasil Comercio e
Industria Limitada
Sao Paulo, Brazil

Sun Electric Nederland B.V.
Amsterdam, The Netherlands

Sun Electric Austria GmbH
Vienna, Austria

Suntester (Australia) Pty. Ltd
Sydney, Australia

Sun Electric de Mexico S.A. de C.V.
Mexico City, Mexico

Sun Electric U.K. Limited
King's Lynn, Norfolk, England

Sun Electric Belgium N.V.
Antwerp, Belgium

Sun Electric Deutschland GmbH
Mettmann, Germany

Sun Automotive Equipment (Canada) Ltd
Toronto, Ontario, Canada

Sun Electric Systems B.V.
Weesp, The Netherlands

Transfer Agent(s):

Harris Trust & Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: SE

Number of Employees:

1990	1,400	1987	2,441
1989	2,327	1986	2,506
1988	2,447		

Plant Footage:

1990	N. A.	1987	695,400
1989	N. A.	1986	755,400
1988	677,400 sq. ft.		

N. A. - Not Available

Sales & Earnings

	Net Sales +	Net Income #
1990	$ 241,969,000	$ 1,712,000
1989	175,311,000	(8,092,000)
1988	181,910,000	(4,223,000)
1987	195,429,000	4,951,000
1986	167,454,000	1,932,000

	No. of Com. Shares †	Earn. per Share #†
1990	8,990,000	$ 0.19
1989	7,675,000	—
1988	6,898,000	—
1987	7,054,000	0.70
1986	6,808,000	0.28

( ) Loss

+ Of continuing operations only.

Including extraordinary gains of $1,688,000 ($0.24 per share) in 1987 and $557,000 ($0.08 per share) in 1986.

† Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 101,893,000	$ 10.78
1989	77,727,000	9.59
1988	75,369,000	10.74
1987	80,410,000	11.47
1986	71,430,000	10.16

Income Account *

Year ended Dec. 31	1990	1989
Net sales		
Equip. sales	$ 210,241,000	$ 142,941,000
Service revenues	31,728,000	32,370,000
Total income	$ 241,969,000	$ 175,311,000
Cost of sales	135,610,000	100,364,000
Expenses	93,371,000	73,080,000
Restruc. charges	2,213,000	2,184,000
Interest expense	3,578,000	3,683,000
Interest income	(5,462,000)	(3,828,000)
For. curr. losses	2,194,000	2,619,000
Earn. of unconsol. affil.	(1,123,000)	(644,000)
Other expense	688,000	526,000
Inc. (loss) bef. taxes	$ 10,900,000	$ (2,673,000)
Income taxes	7,620,000	5,315,000
Inc. (loss)-cont. oper.	$ 3,280,000	$ (7,988,000)
Loss-discont. oper.	(1,568,000)	(104,000)
Net Income (Loss)	$ 1,712,000	$ (8,092,000)

* Included in Costs and Expenses, Depreciation and Amortization: $5,659,000 in 1990 and $5,714,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 3,143,000	$ 5,088,000
Accts. receiv., net	63,107,000	43,914,000
*Inventories	79,690,000	65,960,000
Current Assets	$ 145,940,000	$ 114,962,000
Investments & advances	1,311,000	1,187,000
#Fixed assets	27,208,000	26,446,000
Other assets	8,018,000	5,213,000
Total Assets	$ 182,477,000	$ 147,808,000

Liabilities

Notes payable	$ 8,574,000	$ 8,758,000
Accts. payable	14,426,000	14,523,000
Accrued payroll	7,470,000	5,884,000
Accrued taxes	2,829,000	1,594,000
Deferred revenues	2,687,000	3,724,000
Warranty liability	5,365,000	1,394,000
Other accruals	11,209,000	8,962,000
Income taxes	2,982,000	2,806,000
Curr. Liabilities	$ 55,542,000	$ 47,645,000
Long-term debt	23,504,000	21,113,000
Deferred inc. taxes	325,000	280,000
Other liabilities	1,213,000	1,043,000
+Common stock	9,771,000	8,381,000
Add. paid-in capital	72,637,000	57,628,000
Retained earnings	15,032,000	13,320,000
Treasury stock	(2,814,000)	(2,091,000)
Cum. translation adjustment	7,267,000	489,000
Total Liabilities & Shareholders' Equity	$ 182,477,000	$ 147,808,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

% Net Income to Equity	1.68	—
Sales to Inventories	2.64	2.17
Debt to Equity	0.31	0.38
Working Capital	$ 90,398,000	$ 67,317,000
Current Ratio	2.63	2.41
Shareholders' Equity	$ 101,893,000	$ 77,727,000

Sun Microsystems, Inc.

2550 Garcia Avenue
Mountain View, California 94043
(415) 960-1300
FAX: (415) 969-9131

Officers: Scott G. McNealy, chairman of the board, president & chief exec. officer; Darryl T. Barbe, v.p.-European operations; Carol A. Bartz, v.p., worldwide field operations; corp. exec. officer; Crawford W. Beveridge, v.p., corporate resources; corp. exec. officer; Timothy J. Dwyer, v.p.-intercontinental operations; William N. Joy, v.p., research & development; corp. exec. officer; Michael E. Lehman, v.p. & corp. controller; Kevin C. Melia, v.p., worldwide operations group; corp. exec. officer; Thomas J. Meredith, v.p. & treasurer; Michael H. Morris, v.p. & general counsel; Dennis M. Ohryn, v.p., corporate development; corp. exec. officer; William J. Raduchel, v.p., finance & chief financial officer; corp. exec. officer; Joseph P. Roebuck, v.p., U.S. sales & service; Wayne E. Rosing, v.p., desktop systems & graphics group; corp. exec. officer; Eric E. Schmidt, v.p., general systems group; corp. exec. officer; Edward J. Zander, v.p., corp. marketing; corp. exec. officer.

Directors: Scott G. McNealy, chairman of the board; L. John Doerr, William Randolph Hearst, III, Robert L. Long, M. Kenneth Oshman.

Areas of Work: The Company is a leading supplier of network-based distributed computing systems, including workstations, servers, networking hardware and software and the UNIX operating system. The Company's systems are used in computer-aided design, manufacturing, artificial intelligence, software engineering, electronic publishing, automated testing, and financial services.

Transfer Agent(s):

First National Bank of Boston
Shareholder Services
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SUNW (NASDAQ)

Number of Employees:

1990	11,490	1988	7,090
1989	10,208		

Sales & Earnings

	Revenues	Net Income
1990	$ 2,466,185,000	$ 111,179,000
1989	1,765,366,000	60,838,000
1988	1,051,618,000	66,436,000
1987	537,537,000	36,298,000
1986	210,126,000	11,189,000

	No. of Com. Shares +	Earn. per Share +
1990	94,369,000	$ 1.21
1989	85,161,000	0.76
1988	77,880,000	0.89
1987	67,348,000	0.55
1986	53,240,000	0.21

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 926,767,000	$ 9.82
1989	661,800,000	7.77
1988	369,960,000	4.75
1987	240,734,000	3.58
1986	108,347,000	2.04

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended June 30	1990	1989
Revenues	$ 2,466,185	$ 1,765,366
Cost of revenues	1,399,015	1,010,250
Expenses		
Res. & develop.	301,854	234,106
Sell., gen. & adm.	588,007	432,556
Oper. profit	$ 177,309	$ 88,454
Interest income	(14,540)	(3,851)
Interest expense	37,435	14,292
Income before taxes	$ 154,414	$ 78,013
Income taxes	43,235	17,175
Net Income	$ 111,179	$ 60,838

* Included in Costs and Expenses, Depreciation and Amortization: $196,717,000 in 1990 and $112,921,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash & cash equiv.	$ 393,563	$ 53,694
Stock subscription receiv.	—	75,070
Accts. receiv., net	523,316	330,598
*Inventories	204,833	308,706
Prepaid inc. taxes	96,180	55,065
Other curr. assets	79,476	56,670
Current Assets	$ 1,297,368	$ 879,803
#Fixed assets	349,737	293,994
Other assets	131,471	95,277
Total Assets	$ 1,778,576	$ 1,269,074

Liabilities
(000's)

Notes payable	$ 20,230	$ 124,079
Accts. payable	165,687	166,882
Accrued payroll	79,626	43,812
Other accruals	113,113	62,509
Def. service revenues	30,913	15,168
Income taxes	54,236	30,353
Other current liabilities	29,097	19,732
Current Liabilities	$ 492,902	$ 462,535
Long-term debt	358,907	144,739
+Common stock	62	56
Add. paid-in capital	629,036	475,969
Retained earnings	297,655	186,476
For. curr. trans. adjust.	14	(701)
Total Liabilities & Shareholders' Equity	$ 1,778,576	$ 1,269,074

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.00067 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.26	4.42
% Net Income to Sales	4.51	3.45
% Net Income to Equity	12.00	9.19
Sales to Inventories	12.04	5.72
Debt to Equity	0.41	0.40
Working Capital	$ 804,466,000	$ 417,268,000
Current Ratio	2.63	1.90
Shareholders Equity	$ 926,767,000	$ 661,800,000

Sunair Electronics, Inc.

3101 Southwest Third Avenue
Fort Lauderdale, Florida 33315
(305) 525-1505
FAX: (305) 765-1322

Officers: Robert Uricho, Jr., chairman of the board, president & chief exec. officer; Sue A. Steadman, v.p.-sales administration; William R. Dawes, secretary & general counsel; Richard H. Hoster, sr. v.p. & chief financial officer; George V. Lennon, III, v.p. & gen. mgr.; James E. Laurent, v.p.-marketing.

Directors: Robert Uricho, Jr., chairman; Everett A. Cooper, William R. Dawes, Earl M. Anderson, Jr., Robert R. Williams.

Areas of Work: Engaged in the design, manufacture and sale of high-frequency single sideband communications equipment utilized for long-range voice and data communications in fixed station, airborne, mobile and marine applications.

Subsidiaries:

Sunair International Sales Corp.
3101 Southwest Third Avenue
Fort Lauderdale, Florida 33315

Transfer Agent(s):

American Stock Transfer Co.
40 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SNRU (NASDAQ)

Number of Employees:

1990	89	1987	83
1989	92	1986	120
1988	92		

Plant Footage:

1990	67,700 sq. ft.	1987	67,700
1989	67,700	1986	67,700
1988	67,700		

Sales & Earnings

	Net Sales	Net Income
1990	$ 4,165,015	$ (560,608)
1989	4,466,194	389,450
1988	5,164,558	989,504
1987	7,684,465	1,624,201
1986	7,383,149	1,470,751

	No. of Com. Shares #	Earn. per Share #
1990	3,930,727	$ —
1989	3,930,727	0.10
1988	3,933,696	0.25
1987	4,543,319	0.36
1986	4,704,464	0.31

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	1.87 *	—	—
1987	0.24	—	—
1986	0.24	—	—

* Including a special dividend of $1.63.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 11,200,830	$ 2.85
1989	11,761,438	3.00
1988	11,371,988	2.89
1987	20,470,380	4.62
1986	21,039,851	4.58

Income Account*

Year ended Sept. 30	1990	1989
Net sales	$ 4,165,015	$ 4,466,194
Cost of sales	3,298,133	2,550,974
Expenses	1,531,552	1,565,983
Interest income	(182,492)	(216,093)
Other expense	78,430	67,880
Inc. (loss) bef. taxes	$ (560,608)	$ 497,450
Income taxes	—	108,000
Net Income (Loss)	$ (560,608)	$ 389,450

* Included in Costs and Expenses, Depreciation and Amortization: $155,003 in 1990 and $165,807 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	$ 262,806	$ 492,455
Short-term invest.	99,371	129,058
Accts. receiv., net	785,668	691,436
*Inventories	7,630,384	7,854,230
Prepaid expenses	40,855	43,969
Current Assets	$ 8,819,084	$ 9,211,148
Investments	2,001,280	2,002,240
# Fixed assets	1,092,297	1,146,078
Other assets	1,750	1,000
Total Assets	$ 11,914,411	$ 12,360,466

Liabilities

Accts. payable	$ 549,421	$ 257,814
Accruals	164,160	341,214
Curr. Liabilities	$ 713,581	$ 599,028
+Common stock	480,074	480,074
Add. paid-in capital	2610,798	2,610,798
Retained earnings	13,071,705	13,632,313
Treasury stock	(4,961,747)	(4,961,747)
Total Liabilities & Shareholders' Equity	$ 11,914,411	$ 12,360,466

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	11.14
% Net Income to Sales	—	8.72
% Net Income to Equity	—	3.31
Sales to Inventories	0.55	0.57
Working Capital	$ 8,105,503	$ 8,612,120
Current Ratio	12.36	15.38
Shareholders' Equity	$ 11,200,830	$ 11,761,438

Sunbeam-Oster Company, Inc.

(formerly Allegheny International, Inc.)

Centre City Tower
650 Smithfield Street
Pittsburgh, Pennsylvania 15222
(412) 562-4000

Officers: Paul B. Kazarian, chairman of the board; Michael G. Lederman, v.p., general counsel & secretary.

Directors: Paul B. Kazarian*, chairman; Charles Davidson*, Peter A. Langerman*, Michael G. Lederman, R. Guy Boyle, Roderick M. Hills, Charles J. Thayer.

* Member of the Executive Committee

Areas of Work: The Company is a leading international consumer products company that markets its products worldwide under the Sunbeam and Oster brandnames. The Company has five major business groups:

The Outdoor Products Group, consisting primarily of gas barbecue grills, casual outdoor furniture and a line of outdoor time and temperature instruments.

The Home Comfort and Personal Care Products Group, consisting of a broad line of warming blankets and throws, health care and comfort products such as vaporizers, humidifiers and portable heaters, hair care products, and blood pressure and temperature monitoring equipment.

The Professional Products Group, providing barber and beauty shops, food service and pet and agricultural markets with selected Company products which have been adapted to commercial applications.

The Household Products Group, having responsibility for a full line of small electrical kitchen appliances including mixers, Osterizers, Oskar food processors, toasters, irons, can openers, food scales and thermometers, timers and coffee makers, as well as a diverse line of indoor household time and weather instruments.

The International Group which manufactures and markets a broad range of the above-mentioned products in world markets.

Divisions and Subsidiaries:

Allegheny International, Inc.
Two Oliver Plaza
P.O. Box 456
Pittsburgh, Pennsylvania 15230

Transfer Agent(s):

American Stock Transfer & Trust Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York, London, Paris, Amsterdam

Ticker Symbol: AG

Number of Employees:

1990	10,400	1987	12,800
1989	10,550	1986	18,000
1988	12,200		

Plant Footage:

1990	5,900,000 sq. ft.

Sales & Earnings

	Net Sales +	Net Income #
1990	$ 880,200,000	$ 116,200,000
1989	937,600,000	(54,900,000)
1988	967,800,000	(25,100,000)
1987*	650,800,000	(285,400,000)
1986	999,600,000	(164,000,000)

	No. of Com. Shares	Earn. per Share #‡
1990	10,858,918	$ 7.87
1989	10,858,918	—
1988	10,858,918	—
1987*	10,858,918	—
1986	10,831,450	—

NOTE: On Sept. 28, 1990, Sunbeam-Oster Company, Inc. acquired the assets and assumed certain liabilities, through a reorganization, of Allegheny International.
(Loss)
* 9 months.
+ Of continuing operations only.
# Including extraordinary gain of $154,438,000 ($14.00 per share) in 1990.
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 369,400,000	$ 34.02
1989	(335,986,000)	—
1988	(281,833,000)	—
1987	(260,900,000)	—
1986	(23,800,000)	—

(Deficiency)

Income Account
(000's)

Year ended	9/30/90	10/1/89
Net sales	$ 880,233	$ 937,589
Cost of sales	682,520	726,311
Expenses	136,997	144,658
Depreciation & amortization	21,574	20,055
Corp. adm. expense	14,294	22,850
Rationalization charges	102,018	26,446
Other expense	1,094	3,263
Interest expense	34,404	36,524
Reorganization items	(73,564)	6,434
Loss before taxes	$ (39,104)	$ (48,952)
Income taxes	3,745	5,923
Loss/cont. oper.	$ (42,849)	$ (54,875)
Inc.-discont. oper.	4,629	—
Net Loss	$ (38,220)	$ (54,875)
Extraord. gain	154,438	—
Net Loss & extraord. gain	$ 116,218	$ (54,875)

Assets
(000's)

As of	9/30/90	10/1/89
Cash	$ 46,160	$ 11,508
Short-term invest.	—	123,474
Notes & accts. receiv., net	147,492	232,244
*Inventories	141,192	201,160
Prepaid expenses	11,094	15,604
Net assets of discont. oper.	—	5,182
Current Assets	$ 345,938	$ 589,172
Long-term receiv. & other invest.	—	33,817
#Fixed assets	152,913	94,313
Trademarks and tradenames	231,800	—
Intangibles	30,616	82,642
Other assets	20,148	9,453
Assets of discont. oper.	—	49,544
Total Assets	$ 781,415	$ 858,941

Liabilities
(000's)

	9/30/90	10/1/89
Short-term borrowings	$ 22,735	$ 5,578
Long-term debt, curr.	27,514	498
Accts payable	78,040	61,973
Accrued payroll	17,216	23,348
Accrued rationalization exp.	47,202	—
Other accruals	71,702	83,442
Income taxes	—	3,353
Curr. Liabilities	$ 264,409	$ 178,192
Long-term debt	101,079	9,455
Other liab.	44,689	41,582
Prepetition liabilities	—	731,785
Redeem. warrants	1,838	—
+Redeemable pref. stock	—	233,913
++Common stock	307	8,869
Add. paid-in capital	133,353	214,115
Retained earnings (def.)	—	(446,902)
Shares issuable	227,531	—
Warrants issuable	8,209	—
Cum. adjust. from for. curr. trans.	—	(22,761)
Treasury stock	—	(89,307)
Total Liabilities & Shareholders' Equity	$ 781,415	$ 858,941

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation.
+ No par value.
++ $0.01 par value in 1990; $0.66-2/3 par in 1989.

Statistical Summary

Sales to Inventories	6.23	4.66
Debt to Equity	0.41	—
Working Capital	$ 81,529,000	$ 410,980,000
Current Ratio	1.31	3.31
Shareholders' Equity (Deficiency)	$ 369,400,000	$ (335,986,000)

Sundstrand Corporation

4949 Harrison Avenue
P.O. Box 7003
Rockford, Illinois 61125-7003
(815) 226-2500
FAX: (815) 226-2699

Officers: Don R. O'Hare, chairman of the board; Harry C. Stonecipher, president & chief executive officer; Robert J. Smuland, exec. v.p. & chief operating officer; Paul Donovan, exec. v.p., chief financial officer & treasurer; Berger G. Wallin, exec. v.p. & chief operating officer; Kenelm A. Groff, v.p.-international relations & business development; Stanley F. Moeschl, group v.p.-data control; Bernard L. Weiss, v.p.-contracts & compliance; Richard M. Schilling, v.p., general counsel & secretary; DeWayne J. Fellows, v.p. & controller; Gary J. Hedges, v.p.-personnel & public relations.

Directors: Don R. O'Hare, chairman; Klaus Murmann, Donald E. Nordlund, Robert C. Hyndman, John A. Puelicher, Thomas G. Pownall, Judge Robert H. Bork, Thomas L. Martin, Jr., Ward Smith, Charles Marshall, Harry C. Stonecipher, David C. Acheson.

Areas of Work: The Company's operations can be divided into three groups: power transmission, fluid and heat transfer, and aerospace. Power transmission activities include the manufacture of mechanical power transmissions and couplings for stationary units and marine propulsion drives; hydraulic gear pumps and motors; and controls for a variety of work vehicles and industrial equipment. The aerospace segment manufactures voice and data recorders, tape transport units, navigation systems and data banks, ground proximity warning systems, stall warning systems, controls to supply electrical power for aircraft and related products. The fluid and heat transfer group is engaged in the manufacture of high speed centrifugal pumps and blowers, fuel oil pumps, and heating and cooling components.

AEROSPACE SEGMENT:

Aerospace Fluid Systems
Rockford, Illinois

Aerospace Mechanical Systems
Rockford, Illinois

Electric Power Systems
Rockford, Illinois

Power Systems
San Diego, California

Sundstrand Data Control, Inc.
Redmond, Washington

Avionic Systems
Redmond, Washington

Global Wulfsberg Systems
Irvine, California

Instrument Systems
Redmond, Washington

INDUSTRIAL SEGMENT

The Falk Corporation
Milwaukee, Wisconsin

Milton Roy Company
Arvada, Colorado

Sullair Corporation
Michigan City, Indiana

Sundstrand Fluid Handling
Arvada, Colorado

Transfer Agent(s):

First Chicago Trust Company of New York
P.O. Box 3981
Church Street Station
New York, New York 10008-3981

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: SNS

Number of Employees:

1990	13,000	1987	14,200
1989	13,700	1986	16,000
1988	13,800		

Plant Footage:

1990	N.A.	1987	7,285,000
1989	7,730,000 sq. ft.	1986	6,992,000
1988	N.A.		

N.A. - Not Available

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 1,599,800	$ 114,300
1989	1,516,900	120,800
1988	1,401,800	(76,600)
1987	1,365,400	34,600
1986	1,433,900	45,400

	No. of Com. Shares #	Earn. per Share #
1990	36,800,000	$ 3.11
1989	37,000,000	3.09
1988	36,900,000	—
1987	37,452,000	0.93
1986	37,466,000	1.21

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Aerospace	$ 1,062,900	$ 1,068,800
Industrial	536,900	448,100
Total	$ 1,599,800	$ 1,516,900

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.10	—	2-for-1
1989	0.90	—	—
1988	0.90	—	—
1987	0.90	—	—
1986	0.90	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 624,500,000	$ 17.33
1989	573,000,000	15.44
1988	489,500,000 ‡	13.24
1987	595,000,000	16.16
1986	604,700,000	16.12

‡ After allowing for preferred stock at stated value.
+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,599,800	$ 1,516,900
Cost of sales	1,021,900	964,800
Expenses	341,100	324,100
Royalties & commissions	(4,800)	(4,100)
Interest expense	95,500	96,600
Interest income	(51,900)	(49,900)
Shareholder deriv. action settle.	(6,600)	—
Gain on sale of Trans Com	—	(16,600)
Other expense	15,100	1,600
Income before taxes	$ 189,500	$ 200,400
Income taxes	73,900	79,700
Inc.-cont. oper.	$ 115,600	$ 120,700
Inc. (loss)-discont. oper.	(1,300)	100
Net Income	$ 114,300	$ 120,800

* Included in Costs and Expenses, Depreciation and Amortization: $75,300,000 in 1990 and $93,700,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 5,900	$ 17,700
Accts. receiv., net	331,900	311,300
*Inventories	421,600	419,800
Def. inc. taxes	89,000	81,300
Net assets - discont. oper.	—	11,900
Other curr. assets	48,200	49,000
Current Assets	$ 896,600	$ 891,000
#Fixed assets	474,700	428,900
Intangibles	128,600	102,500
Net assets - discont. oper.	—	21,400
Other assets	82,000	55,200
Total Assets	$ 1,581,900	$ 1,499,000

Liabilities
(000's)

	1990	1989
Notes payable	$ —	$ 97,200
Long-term debt, curr.	—	24,400
Accts. payable	111,800	96,200
Accrued payroll	32,200	23,100
Contrib. due retirement plans	20,000	16,900
Prov. for losses on contracts	38,300	60,700
Other accruals	124,000	115,900
Current Liabilities	$ 326,300	$ 434,300
Long-term debt	369,900	234,100
Deferred inc. taxes	194,400	226,100
Other liabilities	66,800	31,500
+Common stock	18,900	18,900
Add. paid-in capital	176,800	136,400
Retained earnings	522,500	448,600
Foreign currency translation adjustment	(5,400)	(6,000)
Treasury stock	(41,200)	(13,800)
Unamortized value of restricted stock issue	(8,100)	(11,100)
Total Liabilities & Shareholders' Equity	$ 1,581,900	$ 1,499,000

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

	1990	1989
% Net Income to Equity	18.30	21.08
Sales to Inventories	3.79	3.61
Debt to Equity	0.59	0.62
Working Capital	$ 570,300,000	$ 456,700,000
Current Ratio	2.75	2.05
Shareholders' Equity	$ 624,500,000	$ 573,000,000

Sunward Technologies, Inc.

(formerly Computer & Communications Technology Corp.)

5828 Pacific Center Blvd.
San Diego, California 92121
(619) 587-9140
FAX: (619) 587-9614

Officers: E. T. Bahre, chairman of the board & chief executive officer; Jerry F. Smith, v.p.-personnel; Gary E. Hall, v.p., chief financial officer & secretary.

Directors: E. T. Bahre, chairman; Melvin A. Shader; E. W. Macrae; W. A. Klein; Gary E. Hall.

Areas of Work: Designs and manufactures magnetic recording heads for rigid disc drives used for data storage and retrieval, and designs and manufactures microwave signal-generation and signal-processing components and subsystems.

Subsidiaries:

Information Magnetics Corporation
9177 Sky Park Court
San Diego, California 92123
(619) 279-8940

Designs, manufactures, refurnishes and sells magnetic disc recording heads used in magnetic recording data storage units (peripheral memories) for data processing systems.

Information Magnetics Caribe Inc.
Call Box 2502, Road 125, Kil. 1.0
Moca 00716 Puerto Rico
(809) 877-6400

Ensambles Magneticos, S.A. de C.V.
Calle 5 Sur #1111
Ciudad Industrial, Nueva Tijuana
Tijuana, B.C., Mexico
(706) 623-3562

Transfer Agent(s):

Security Pacific National Bank
Corporate Services Division, W24/30
333 South Beaudry Avenue, 24th Floor
Los Angeles, California 90017

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CCTC (NASDAQ)

Number of Employees:

1990	1,920	1987	3,901
1989	1,950	1986	3,091
1988	2,000		

Sales & Earnings

	Revenues +	Net Income
1990‡	$ 74,935,000	$ (20,587,000)
1989	123,937,000	(15,854,000)
1988	107,776,000	(15,898,000)
1987	98,798,000	6,393,000
1986*	75,300,000	(26,844,000)

	No. of Com. Shares #	Earn. per Share #
1990‡	25,918,000	$ —
1989	25,888,000	—
1988	11,248,000	—
1987	11,623,000	0.55
1986*	11,159,000	—

NOTE: Sunward Technologies, Inc., formerly known as Computer & Communications Technology Corp., a Delaware corporation, and Sunward Technologies, a California corporation, combined effective as of August 31, 1990. The figures for 1990 and 1989 are post-merger.
(Loss)
‡ 9 months.
* 53 weeks.
+ Of continuing operations only.
# Based on the weighted average number of common shares and common shares equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1990*	$ 16,069,000	$ 0.62
1989	7,562,000	0.67
1988	24,824,000	2.21
1987	41,177,000	3.54
1986	34,066,000	3.05

* Post-merger.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended	3/25/90 (9 months)	6/25/89
Net sales	$ 74,935	$ 123,937
Other income	598	481
Total income	$ 75,533	$ 124,418
Cost of sales	71,532	109,625
Eng. & develop. exp.	5,647	6,795
Selling, gen. & adm. exp.	9,248	16,851
Amort. of exc. of cost over assets acq.	538	717
Prov. for doubtful accts.	6,304	3,474
Interest expense	2,645	2,694
Loss before taxes	$ (20,381)	$ (15,738)
Income taxes	206	116
Net Loss	$ (20,587)	$ (15,854)

Assets
(000's)

As of	3/25/90 (post-merger)	12/30/89 (pre-merger)
Cash	$ 6,973	$ 1,210
Receivables	13,763	9,184
*Inventories	14,395	13,172
Other curr. assets	1,508	1,282
Current Assets	$ 36,639	$ 24,848
#Fixed assets	14,336	9,246
Assets held for sale	—	2,800
Invest. and other assets	1,483	4,536
Exc. of cost over assets acq.	7,166	—
Total Assets	$ 59,624	$ 41,430

Liabilities
(000's)

Long-term debt, curr.	$ 10,298	$ 9,700
Accts. payable	10,198	8,229
Accruals	9,833	5,622
Income taxes	1,150	1,033
Curr. Liabilities	$ 31,479	$ 24,584
Deferred rent	599	—
Accrued severance	—	2,084
Long-term debt	11,477	7,200
+ Common stock	10,337	4,516
Add. paid-in capital	12,494	57,936
Retained earnings (deficit)	(6,406)	(54,890)
Notes receiv.-shareholders	(356)	—
Total Liabilities & Shareholders' Equity	$ 59,624	$ 41,430

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.40 par value.

Statistical Summary

Debt to Equity	1.36	2.23
Working Capital	$ 5,160,000	$ 264,000
Current Ratio	1.16	1.01
Shareholders' Equity	$ 16,069,000	$ 7,562,000

Supertex, Inc.

1225 Bordeaux Drive
Sunnyvale, California 94088
(408) 744-0100
FAX: (408) 734-5247

Officers: Henry C. Pao, president & chief exec. officer; Richard E. Siegel, exec. v.p.; Benedict C. K. Choy, sr. v.p.-Technology Develop. & Integrated Circuit Prods.; Michael V. Bond, v.p.-DMOS Prods.; Edward MacKenna, v.p.-Wafer Fab Operations.

Directors: Henry C. Pao, Richard E. Siegel, Benedict C. K. Choy, Frank C. Pao, Yunni Pao.

Areas of Work: The Company designs and manufactures complex proprietary and industry-standard integrated circuits (ICs) and discrete semiconductor components for a select range of diverse markets. As a niche-oriented company, Supertex focuses on two process technolgies, DMOS (Double-Diffused Metal Oxide Semiconductors) and HVCMOS (High-Voltage Complementary Metal Oxide Semiconductors), allowing for a synergistic product mix of high voltage ICs, MOS power field-effect transistors (FETs), and arrays. The Company's products are targeted for such application-specific markets as ultrasound imaging for medical electronics, flat-panel displays, non-impact printers, and high-reliability components for military and commercial aerospace systems.

Transfer Agent(s):

Bank of America NT and SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SUPX (NASDAQ)

Number of Employees

1990	260

Sales & Earnings

	Net Sales	Net Income
1990	$ 21,830,000	$ 2,376,000
1989	21,695,000	2,867,000
1988	18,941,000	2,836,000
1987	12,131,000	(2,566,000)
1986	14,150,000	(2,848,000)

	No. of Com. Shares +	Earn. per Share +
1990	12,174,000	$ 0.20
1989	12,169,000	0.24
1988	12,090,000	0.23
1987	12,041,000	—
1986	11,879,000	—

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 16,372,000	$ 1.34
1989	14,143,000	1.16
1988	14,792,000	1.22
1987	11,418,000	0.95
1986	13,622,000	1.15

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Mar. 31	1990*	1989
Net sales	$ 21,830,000	$ 21,695,000
Cost of sales	15,335,000	13,109,000
Res. & develop. exp.	1,764,000	1,743,000
Sell., gen. & adm. exp.	3,253,000	3,875,000
Interest expense	5,000	11,000
Interest income	(837,000)	(552,000)
Other expense (income)	(188,000)	233,000
Income before taxes	$ 2,698,000	$ 3,276,000
Income taxes	322,000	400,000
Net Income	$ 2,376,000	$ 2,[illegible]76,000

* Included in Costs and Expenses, Depreciation and Amortization: $914,000 in 1990 and $1,355,000 in 1989.

Assets

As of Mar. 31	1990	1989
Cash & cash equiv.	$ 9,048,000	$ 7,925,000
Accts. receiv., net	4,237,000	3,604,000
*Inventories	4,131,000	3,586,000
Prepaid expenses	140,000	125,000
Current Assets	$ 17,556,000	$ 15,240,000
#Fixed assets	2,787,000	2,119,000
Invest. & other assets	—	543,000
Total Assets	$ 20,343,000	$ 17,902,000

Liabilities

Cap. lease oblig., curr.	$ 40,000	$ 40,000
Accts. payable	1,969,000	1,549,000
Accrued payroll	853,000	793,000
Income taxes pay.	179,000	303,000
Other accruals	553,000	611,000
Def. inc. on shipments	374,000	415,000
Current Liabilities	$ 3,968,000	$ 3,711,000
Cap. lease oblig.	3,000	48,000
+Common stock	17,712,000	17,819,000
Retained earnings (deficit)	(1,340,000)	(3,676,000)
Total Liabilities & Shareholders' Equity	$ 20,343,000	$ 17,902,000

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	12.36	15.10
% Net Income to Sales	10.88	13.26
% Net Income to Equity	14.51	20.34
Sales to Inventories	5.28	6.05
Debt to Equity	—	0.01
Working Capital	$ 13,588,000	$ 11,529,000
Current Ratio	4.42	4.11
Shareholders Equity	$ 16,372,000	$ 14,143,000

Survival Technology, Inc.

8101 Glenbrook Road
Bethesda, Maryland 20814
(301) 656-5600
FAX: (301) 656-3032

Officers: James H. Miller, president & chief exec. officer; Jeffrey W. Church, v.p.-finance & chief financial officer; Napoleon Monroe, v.p. & secretary; Herb Reinhold, v.p. medical devices; Sharon Aichele Santa, v.p.-outpatient cardiac care; Doris Lockey Geier, asst. secretary; Maria Cristina D'Erasmo, asst. treasurer.

Directors: Robert E. Herzstein*, chairman; James H. Miller, Bruce M. Dresner, George S. Blanchard, Paul H. Way.

* Member of the Executive Committee.

Areas of Work: Develops, manufactures and sells medical products and services intended to aid the treatment of emergency health problems.

Divisions:

Pharmaceutical Division
2555 Hermelin Drive
St. Louis, Missouri

Outpatient Care Division
Bethesda, Maryland

Emergency Care Products Division
Bethesda, Maryland

Transfer Agent(s):

Security Trust Co. N.A.

Stock Exchange(s): Over-the-counter

Ticker Symbol: SURV (NASDAQ)

Number of Employees:

1990	490	1987	279
1989	202	1986	337
1988	230		

N.A. - Not available

Plant Footage:

1990	120,900 sq. ft.	1987	120,900
1989	120,900	1986	88,000
1988	120,900		

N.A. - Not available

Sales & Earnings

	Net Sales	Net Income
1990	$ 20,100,000	$ (360,900)
1989	16,632,000	(1,444,700)
1988	26,732,000	(452,900)
1987	27,789,000	316,500
1986	30,781,000	(769,800)

	No. of Com Shares ‡	Earn per Share † ‡
1990	2,901,000	$ —
1989	2,817,000	—
1988	2,815,000	—
1987	2,794,000	0.11
1986	2,781,000	—

(Loss)
† Including extraordinary gain of $137,000 ($0.05 per share) in 1987
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990	1989
Commercial pharmaceuticals prods. & svcs.	49 %	27 %
Military products	38	50
Cardiac monitoring prods. & svcs.	12	10
Discont. oper.	1	13
Total	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 5,254,400	$ 1.81
1989	5,135,000	1.82
1988	6,538,900	2.32
1987	6,265,100	2.24
1986	5,727,800	2.06

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account

Year ended July 31	1990	1989
Net sales	$ 20,100,200	$ 16,632,100
Cost of sales	13,706,800	10,964,600
Expenses	5,792,400	5,880,700
Depreciation & amortization	971,600	1,330,300
Royalty expense	—	18,600
Interest expense	414,200	660,500
Other income	(423,900)	(777,900)
Net Loss	$ (360,900)	$ (1,444,700)

Assets

As of July 31	1990	1989
Cash	$ 551,100	$ 97,900
Receivables, net	3,844,400	2,951,000
*Inventories	3,386,900	3,968,000
Prepaid expenses & other curr. assets	595,800	506,700
Current Assets	$ 8,378,200	$ 7,523,600
#Fixed assets	4,452,700	4,476,100
Intangibles	686,400	677,200
Other assets	253,900	17,600
Total Assets	$ 13,771,200	$ 12,694,500

Liabilities

	1990	1989
Notes payable	$ 1,812,500	$ 2,240,500
Long-term debt, curr.	—	39,000
Accts. payable	1,837,400	1,325,700
Accruals	1,440,400	1,631,800
Customer deposits	1,323,400	1,506,700
Curr. Liabilities	$ 6,413,700	$ 6,743,700
Long-term debt	1,500,000	—
Other liabilities	603,100	815,800
+ Common stock	290,100	282,200
Add. paid-in capital	3,320,600	2,848,200
Retained earnings	1,643,700	2,004,600
Total Liabilities & Shareholders' Equity	$ 13,771,200	$ 12,694,500

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.10 par value

Statistical Summary

	1990	1989
Sales to Inventories	5.93	4.19
Debt to Equity	0.63	0.44
Working Capital	$ 1,964,500	$ 779,900
Current Ratio	1.31	1.12
Shareholders' Equity	$ 5,254,400	$ 5,135,000

Tab Products Co.

1400 Page Mill Road
Palo Alto, California 94304
(415) 852-2400
FAX (415) 852-2688

Officers: Harry W. Le Claire, chief exec. officer; Michael A. Dering, exec. v.p. & chief operating officer; W. Brandt Brooksby, sr. v.p. finance and administration secretary; Kurt Lein, v.p. international operations; John Petry, v.p. manufacturing & distribution; David A. Price, v.p.-sales & national sales mgr.; Michael D. Skelton, v.p. & general mgr. laser-optic filing systems; William Bradley, controller; R.J. Sexton, treasurer & asst. sec.

Directors: Harry W. Le Claire*, chairman of the board; Francis S. Foote, Jr.; C. Lester Hogan; Robert Augsburger; Charles D. Means; Donald E. Moffitt*

* Member of the Executive Committee

Areas of Work: Develops, manufactures and markets optical disk filing systems, clustered workcenters, panel systems and computer furniture, accessory products that store or handle computer media, forms processing equipment and a line of terminal products.

Divisions:

Media Filing Division

Laser-Optic Filing Division

Furniture Systems Division

Subsidiaries:

Tab Products of Canada, Limited
550 McNicoll Avenue
Willowdale, Ontario M2H 2E1, Canada
(416) 494-0077

Tab Products (Europa) B.V.
Hellenkeuvelwey 8-10
1101 BN Amsterdam Zuid Oost, The Netherlands

Tab Sales Corp. International
St. Thomas, Virgin Islands

Transfer Agent(s):

Bank of America
Stock Transfer Dept. #0527
P.O. 37002
San Francisco, California 94137

Stock Exchange(s): American

Ticker Symbol: TBP

Number of Employees:

1990	883	1987	951
1989	951	1986	959
1988	988		

Plant Footage:

1990	608,000 sq. ft.	1987	523,000
1989	608,000	1986	523,000
1988	523,000		

Sales & Earnings

	Revenues	Net Income
1990	$ 137,747,000	$ 4,551,000
1989	130,143,000	4,178,000
1988	131,959,000	7,303,000
1987	123,681,000	6,790,000
1986	121,429,000	5,685,000

	No. of Com Shares +	Earn per Share #
1990	6,701,172	$ 0.68
1989	6,551,294	0.64
1988	6,510,242	1.09
1987	6,681,499	1.00
1986	6,619,163	0.85

+ Adjusted to reflect stock split
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split +
1990	$ 0.20	—	—
1989	0.20	—	—
1988	0.20	—	—
1987	0.20	—	—
1986	0.15	—	3-for-2

+ Adjusted to reflect stock splits

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 65,179,000	$ 9.73
1989	59,791,000	9.13
1988	56,752,000	8.72
1987	53,180,000	7.96
1986	47,271,000	7.12

‡ Adjusted to reflect stock split

Income Account *

Year ended May 31	1990	1989
Net sales	$ 131,406,000	$ 124,344,000
Serv. & rental inc.	6,341,000	5,799,000
Total revenues	$ 137,747,000	$ 130,143,000
Cost of revenues	78,994,000	74,343,000
Expenses	51,994,000	49,378,000
Interest income	(587,000)	(216,000)
Income before taxes	$ 7,346,000	$ 6,638,000
Income taxes	2,795,000	2,460,000
Net Income	$ 4,551,000	$ 4,178,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,994,000 in 1990 and $2,889,000 in 1989.

Assets

As of May 31	1990	1989
Cash & cash equiv.	$ 13,019,000	$ 5,558,000
Accts. recvs., net	26,863,000	26,945,000
*Inventories	14,059,000	16,142,000
Prepaid expenses	3,265,000	2,545,000
Current Assets	$ 57,206,000	$ 51,190,000
#Fixed assets	18,987,000	19,973,000
Other assets	2,708,000	2,831,000
Total Assets	$ 78,901,000	$ 73,994,000

Liabilities

	1990	1989
Long-term debt curr.	$ 115,000	$ 115,000
Accts. payable	4,516,000	4,664,000
Commissions	2,677,000	2,476,000
Other accruals	4,710,000	5,402,000
Curr. Liabilities	$ 12,018,000	$ 12,657,000
Long-term debt	465,000	580,000
Deferred taxes	1,239,000	966,000
+Common stock	70,000	69,000
Add. paid-in capital	9,846,000	8,213,000
Retained earnings	59,508,000	56,144,000
Treasury stock	(4,439,000)	(4,425,000)
Foreign curr. translation	194,000	(210,000)
Total Liabilities & Shareholders' Equity	$ 78,901,000	$ 73,994,000

* At lower of cost or market. Domestic inventories purchased for resale are valued at LIFO, remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1990	1989
% Income bef. taxes to Sales	5.59	5.34
% Net Income to Sales	3.46	3.36
% Net Income to Equity	6.98	6.99
Sales to Inventories	9.35	7.70
Debt to Equity	0.01	0.01
Working Capital	$ 45,188,000	$ 38,533,000
Current Ratio	4.76	4.04
Shareholders' Equity	$ 65,179,000	$ 59,791,000

Talley Industries, Inc.

2800 North 44th Street
Phoenix, Arizona 85008
(602) 957-7711
FAX: (602) 957-7711

Officers: William H. Mallender, chairman & chief executive officer; Jack C. Crim, president & chief operating officer; Donald L. Corey, sr. v.p.; David D. Hunter, exec. v.p.; Daniel R. Mullen, treasurer; Edward T. Ryan Jr., vice president-operations; William E. Bonnell, dir.-human resources; Rodney H. McKinley, director-internal audit; Mark S. Dickerson, general counsel & secretary; Kenneth May, controller.

Directors: William H. Mallender*, chairman; Jack C. Crim, Hubert T. Mandeville, Alex Stamatakis, David Victor, Neil W. Benson, Townsend W. Hoopes, John D. MacNaughton, Jr., Emiel T. Nielsen, Jr., Thomas F. Reddy, Jr.*, John C. Robinson*, John W. Stodder

* Member of the Executive Committee

Areas of Work: In the area of Government Products and Services, the Company designs, manufactures and markets solid propellant actuated devices, high-reliability electronic components, aircraft ejection seats and air crew escape systems. Industrial Products include a broad spectrum of products and services, including inflators and modules for automotive passive restraint systems, specialty steel products, high-voltage ceramic insulators, automated welding equipment and services, and electronic assembly for original equipment manufacturers. Specialty Products include ornamental metal buttons; molded plastic components for commercial use; aerosol, insecticide and air freshener products, and specialty advertising items. Services include electronic products assembly. The Company also engages in real estate operations.

Divisions, Subsidiaries & Affiliates:

Talley Defense Systems Inc.
4551 East McKellips Road
Mesa, Arizona 85205
(602) 832-3830
Gas generators, initiators, survival equipment and systems.

Electrodynamics, Inc.
1200 Hicks Road
Rolling Meadow, Illinois 60008
(312) 259-0740
High-reliability electronic components and systems.

Universal Propulsion Company, Inc.
Phoenix, Arizona
Gas generators, initiators, survival equipment and systems.

Rowe Industries, Inc.
Toledo, Ohio
Electronic interconnect systems.

John J. McMullen Associates, Inc.
New York, New York
A leading naval architecture and marine engineering firm.

Porcelain Products, Inc.
Carey, Ohio
High-voltage ceramic insulators.

Dimetrics, Inc.
Diamond Springs, California
Automated welding systems and welding services.

Taltronics Corporation
Davidson, North Carolina
Manufacture and sale of timers and electronic power supplies.

Talley Metals Technology, Inc.
McBee, South Carolina
Produces stainless steel bars and rods.

Amcan Specialty Steels, Inc.
East Brunswick, New Jersey
Specialty steel distribution.

Waterbury Companies, Inc.
Waterbury, Connecticut
Metal buttons, plastic products, automated aerosol dispensers.

Barlow Specialty Advertising, Inc.
Los Angeles, California
Specialty advertising products.

Talley Realty Corp.
Phoenix, Arizona
Land development and marketing.

Transfer Agent(s):

Manufacturers Hanover Trust Company of California
Post Office Box 712399
Los Angeles, California 90071

Stock Exchange(s): New York

Ticker Symbol: TAL

Number of Employees:

1990	3,507	1987	3,150
1989	3,989	1986	4,000
1988	N.A.		

N.A.-Not Available

Plant Footage:

1990	N.A.	1987	2,087,000
1989	2,421,000 sq. ft.	1986	2,645,482
1988	N.A.		

N.A.-Not Available

Sales & Earnings

	Revenues +	Net Income
1990	$ 333,081,000	$ (50,187,000)
1989	372,365,000	25,922,000
1988	359,852,000	10,880,000
1987	263,993,000	(21,180,000)
1986	203,078,000	13,850,000

	No. of Com. Shares †	Earn. per Share †
1990	8,791,000	$ —
1989	12,491,000	2.08
1988	12,499,000	0.87
1987	9,273,000	—
1986	10,000,000	1.38

(Loss)
+ Of continuing operations only.
† Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Gov't prods. & svcs.	$ 148,994	$ 159,262
Industrial prods.	133,713	156,519
Specialty prods.	48,556	55,997
Realty	1,818	587
Total	$ 333,081	$ 372,365

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.50	—	—
1989	0.45	—	—
1988	0.30	—	—
1987	0.285	—	5-for-4
1986	0.22	—	—

Common Stock Equity

	Total Equity *	Equity Per Share ‡
1990	$ 46,580,000	$ 5.30
1989	103,527,000	8.29
1988	92,100,000	7.37
1987	84,766,000	9.14
1986	105,935,000	10.59

* After allowing for preferred stock at total involuntary liquidation preference value.

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 282,695	$ 309,401
Services	50,386	62,964
Total revenues	$ 333,081	$ 372,365
Cost of revenues	255,467	276,905
Expenses	87,687	64,036
Restruc. costs	15,000	—
Gain on sale of oper.	—	(59,997)
Reserve on realty assets	65,000	36,600
Other income	(12,775)	(9,900)
Interest expense	31,493	31,885
Interest capitalized	(7,578)	(9,144)
Inc. (loss) bef. taxes	$ (71,213)	$ 41,980
Income taxes (credit)	(18,379)	17,630
Inc. (loss) cont. oper.	$ (52,834)	$ 24,350
Inc. discont. oper.	2,647	1,572
Net Income (Loss)	$ (50,187)	$ 25,922

* Included in Costs and Expenses, Depreciation and Amortization: $11,740,000 in 1990 and $12,422,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 6,731	$ 4,035
Marketable securities	5,305	1,952
Accts. recvs., net	78,760	107,277
*Inventories	79,039	190,027
Deferred inc. taxes	11,213	19,619
Prepaid expenses	4,998	4,640
Net assets-discont. oper.	41,895	17,656
Current Assets	$ 228,931	$ 373,205
Realty assets	137,126	—
Long-term recvs.	25,473	69,248
#Fixed assets	74,788	70,088
Intangibles	51,970	51,914
Defer. charges & other assets	7,706	4,680
Total Assets	$ 525,994	$ 569,135

Liabilities
(000's)

	1990	1989
Notes payable	$ 37,887	$ 23,199
Long-term debt, curr.	7,579	27,051
Long-term debt - accelerated	258,321	—
Realty debt	30,387	33,558
Accts. payable	27,616	26,417
Accruals	51,111	41,071
Income taxes	—	5,708
Curr. Liabilities	$ 412,901	$ 157,004
Long-term debt	—	230,272
Deferred inc. taxes	10,458	20,078
Other liabilities	5,200	8,729
+Preferred stock		
Series A	75	75
Series B	1,549	1,565
Series D	120	109
++Common stock	8,794	8,760
Add. paid-in capital	81,404	79,272
For. curr. trans. adj.	714	1,750
Retained earnings	4,779	61,521
Total Liabilities & Shareholders' Equity	$ 525,994	$ 569,135

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $1 par value, cumulative convertible: Series A, $1.10 dividend; Series B, $1.00 dividend; Series D, $4.50 dividend.

+ + $1 par value.

Statistical Summary

	1990	1989
% Net Income to Equity	—	16.94
Sales to Inventories	3.58	1.56
Debt to Equity	3.12	1.43
Working Capital	—	$ 178,545,000
Current Ratio	—	2.14
Shareholders' Equity	$ 97,415,000	$ 151,052,000

Tandem Computers Incorporated

19333 Vallco Parkway
Cupertino, California 95014-2599
(408) 725-6000
FAX: (408) 725-6635

Officers: Thomas J. Perkins, chairman of the board; James G. Treybig, president & chief executive officer; Robert C. Marshall, sr. v.p. & chief operating officer; Lawrence A. Laurich, v.p.-systems development & manufacturing; Thomas J. Klitgaard, sr. v.p., gen. counsel & secretary; Jack W. Chapman, v.p. & chairman-Tandem Europe; Gerd Stoecker, v.p. & treasurer; Gerald L. Peterson, sr. v.p. & gen. mgr.-Tandem Sales & Marketing Group; David J. Rynne, sr. v.p. & chief financial officer; Stephen C. Schmidt, sr. v.p. & gen. mgr.-Tandem Systems Group; Donald E. Fowler, sr. v.p. & gen. mgr.-Tandem Companies Group; Ralph K. Ungermann, sr. v.p.-Ungermann-Bass Group; Gerald D. Held, v.p.-strategy & corp. development; Robert G. Gargus, v.p. & corp. controller.

Directors: Thomas J. Perkins, chairman; Morton Collins, Franklin P. Johnson, Jr., Robert C. Marshall, Robert G. Stone, Jr., James G. Treybig, Thomas I. Unterberg, Andrew Knight, Walter B. Wriston, Jack F. Bennett, Ralph K. Ungermann, George P. Shultz.

Areas of Work: Designs, develops, manufactures, markets and services multiple processor computer systems solely dedicated to on-line transaction processing and software. The Tandem NonStop System eliminates the risk of system failures and protects the customer's data base from damage caused by electronic hardware malfunctions.

Operating Units:

Eastern Division
One Penn Plaza
New York, New York 10119

Central Division
1827 Walden Office Square
Schaumberg, Illinois 60195

Western International Division
245 Santa Ana Court
Sunnyvale, California 94086

Tandem Computers Canada Limited
Canada

Tandem Computers Limited
England

Tandem NonStop Pty., Ltd.
Australia

Tandem Computers S.A.
France

Tandem Computers, S.A./N.V.
Belgium

Tandem Computers GmbH
West Germany

Tandem Computers A.B.
Sweden

Tandem Computers A/S
Denmark

Tandem NonStop Pty. Ltd.
New Zealand

Tandem Computers A.S.
Norway

Tandem Computers Italia S.p.A.
Italy

Tandem Computers Japan Limited
Japan

Tandem Computers B.V.
The Netherlands

Tandem Computers AG
Switzerland

Tandem Computers (Hong Kong) Limited
Hong Kong

Tandem Computers International, Inc.
Singapore

Tandem Computer Ges. m.b.H.
Austria

Tandem Computers Iberica S.A.
Spain

Atalla Corporation
2304 Zanker Road
San Jose, California 95134
Provides secure systems solutions in the areas of network interchange, electronic payment, and computer security.

Array Technology Corporation
Developer of storage subsystems based on redundant arrays of inexpensive disks (RAID) technology.

Tandem Telecommunications Systems, Inc.
(formerly Integrated Technology, Inc.)
850 East Central Parkway
Plano, Texas 75074
Develops network services software for the telecommunications industry.

Ungermann-Bass, Inc.
3900 Freedom Circle
Santa Clara, California 95054
Provides products for open, enterprise-wide networks.

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: TDM

Number of Employees:

1990	10,946	1987	7,007
1989	9,548	1986	5,719
1988	8,624		

Plant Footage:

1990	1,612,000 sq. ft.	1987	1,555,000
1989	2,178,000	1986	1,428,400
1988	1,642,000		

Sales & Earnings

	Revenues	Net Income
1990	$1,865,873,000	$ 121,832,000
1989	1,632,522,000	118,316,000
1988	1,314,721,000	94,485,000
1987	1,047,532,000	105,229,000
1986	778,014,000	64,258,000

	No. of Com. Shares #	Earn. per Share #
1990	108,163,000	$ 1.13
1989	101,386,000	1.17
1988	98,683,000	0.96
1987	98,424,000	1.07
1986	89,096,000	0.72

Based on the weighted average number of common share and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$1,203,320,000	$ 11.13
1989	989,118,000	9.76
1988	856,861,000	8.68
1987	723,855,000	7.35
1986	517,978,000	6.04

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*
(000's)

Year ended Sept. 30	1990	1989
Revenues	$ 1,539,506	$ 1,354,852
Service & other revenue	326,367	277,670
Total revenues	$ 1,865,873	$ 1,632,522
Cost of revenues	667,919	606,408
Expenses	1,009,268	841,787
Interest income	(16,111)	(11,357)
Interest expense	17,565	9,359
Income before taxes	$ 187,232	$ 186,325
Income taxes	65,400	68,009
Net Income	$ 121,832	$ 118,316

* Included in Costs and Expenses: Depreciation and Amortization: $128,209,000 in 1990 and $112,683,000 in 1989.

Assets
(000's)

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 91,089	$ 197,174
Accts. receiv., net	462,270	399,347
Lease receiv., curr.	32,688	20,093
*Inventories	188,094	144,176
Prepaid inc. taxes	59,692	77,759
Prepaid expenses	28,948	24,602
Current Assets	$ 862,781	$ 863,151
#Fixed assets	640,540	447,392
Cost in exc. of assets acq.	192,831	203,438
Lease receiv.	74,305	38,231
Other assets	106,952	66,586
Total Assets	$ 1,877,409	$ 1,618,788

Liabilities
(000's)

Short-term borrowings	$ 90,204	$ 19,857
Long-term debt, curr.	29,450	38,726
Accts. payable	119,524	106,263
Income taxes	2,142	53,198
Accruals	253,189	223,361
Curr. Liabilities	$ 494,509	$ 441,405
Long-term debt	95,759	106,643
Deferred inc. taxes	83,821	81,622
+Common stock	2,636	2,552
Add. paid-in capital	559,215	500,155
Retained earnings	686,000	564,168
Translation adjustments	9,537	(820)
Treasury stock	(9,153)	(26,937)
Deferred ESOP comp.	(44,915)	(50,000)
Total Liabilities & Shareholders' Equity	$ 1,877,409	$ 1,618,788

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.025 par value.

Statistical Summary

% Income bef. Taxes to Revenues	10.03	11.41
% Net Income to Revenues	6.53	7.25
% Net Income to Equity	10.12	11.96
Debt to Equity	0.18	0.17
Working Capital	$ 368,272,000	$ 421,746,000
Current Ratio	1.74	1.96
Shareholders' Equity	$1,203,320,000	$ 989,118,000

Tandy Corporation

1800 One Tandy Center
Fort Worth, Texas 76102
(817) 390-3700
FAX: (817) 390-3500

Officers: John V. Roach, chairman of the board & chief executive officer; Herschel C. Winn, sr. v.p. & secretary; John W. Burnam, v.p. & community relations; Ronald L. Parrish, v.p.-corp. development; Richard L. Ramsey, v.p. & controller; Dwain Hughes, asst. treasurer; Jana R. Freundlich, asst. secretary; Lowell C. Duncan, Jr., v.p.-marketing; Jim B. Sheets, asst. secretary.

Directors: John V. Roach*, chairman; William C. Conner; William T. Smith*; Alfred J. Stein; Jesse L. Upchurch*; John A. Wilson*; Robert R. Lowdon*; Donald L. Bryant; Lewis F. Kornfeld, Jr.*; Thomas G. Plaskett; William E. Tucker*; William G. Morton, Jr.; Caroline R. Hunt; James I. Cash, Jr.

* Member of the Executive Committee

Areas of Work: Manufactures high-quality consumer electronics and personal computers. Tandy operates 7,034 Radio Shack stores, Computer Centers and dealer/franchise outlets and 322 McDuff and VideoConcepts stores. Consumer products are marketed under numerous brands including Optimus, Memorex, Realistic, DUoFONE and Archer. Personal computers are marketed under the company's Tandy, GRiD and Victor brands, and through Original Equipment Manufacturer (OEM) agreements.

Divisions and Subsidiaries:

Radio Shack Division

Tandy Electronics, Inc.

A & A International Corp.

Tandy Credit Corporation

Lika Corporation
Lika Utah
Lika Southwest

Manufactures printed circuit boards.

Memtek Products
Markets a line of Memorex audio and video products.

O'Sullivan Industries
Manufactures furniture for electronic equipment.

Scott-McDuff Corporation
Chain of 24 audio-video appliance stores.

VideoConcepts
Name-brand electronics retailers located in malls in 29 states.

Tandy International Electronics, Inc.

Tandy Mkt. (Canada) Ltd.

GRiD Systems Corporation
Fremont, California
Designs, develops, manufactures and markets field automation equipment that use laptop computers.

Victor Microcomputer
Victor Micronic

Markets desktop and laptop microcomputers.

Transfer Agent(s):

First National Bank of Boston (Common Stock)
Boston, Massachusetts

Team Bank/Fort Worth N.A.
(Common Stock & Debentures)
Fort Worth, Texas

Stock Exchange(s): New York

Ticker Symbol: TAN

Number of Employees:

1990	39,000	1987	39,000
1989	38,000	1986	36,000
1988	37,000		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 4,499,604	$ 290,347
1989	4,180,703	323,504
1988	3,793,767	316,354
1987	3,452,178	242,329
1986	3,035,969	197,659

	No. of Com. Shares ‡	Earn. per Share ‡
1990	81,943,000	$ 3.54
1989	88,849,000	3.64
1988	89,466,000	3.54
1987	89,699,000	2.70
1986	89,203,000	2.22

+ Includes operating revenues of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Retail Distrib. Channels:		
Radio Shack	$2,937,824,000	$2,991,631,000
Tandy Name Brand Retail	469,833,000	364,796,000
Alternative Distrib. Channels:		
Tandy Marketing Cos.	723,720,000	498,331,000
Other Outside Sales	368,227,000	325,945,000
Total	$4,499,604,000	$4,180,703,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.600	—	—
1989	0.600	—	—
1988	0.575	—	—
1987	0.375	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 1,723,496	$ 21.78
1989	1,782,838	20.65
1988	1,603,112	18.10
1987	1,380,039	15.38
1986	1,306,458	14.57

Income Account
(000's)

Year ended June 30	1990	1989
Net sales & oper. rev.	$ 4,499,604	$ 4,180,703
Cost of sales	2,380,224	2,148,464
Expenses	1,547,387	1,441,628
Depreciation & amortization	92,115	75,429
Interest expense (income)	5,939	(12,217)
Income before taxes	$ 473,939	$ 527,399
Income taxes	183,592	203,895
Net Income	$ 290,347	$ 323,504

Assets
(000's)

As of June 30	1990	1989
Cash & short-term invest.	$ 135,197	$ 58,398
Accts. & notes receiv., net	819,517	553,260
* Inventories	1,452,065	1,285,373
Other curr. assets	77,868	45,186
Current Assets	$ 2,484,647	$ 1,942,317
# Fixed assets	457,823	420,744
Other assets	297,510	211,249
Total Assets	$ 3,239,980	$ 2,574,310

Liabilities
(000's)

	1990	1989
Notes payable	$ 695,871	$ 192,096
Accts. payable	210,290	159,767
Accruals	242,314	208,608
Income taxes payable	23,655	8,535
Curr. Liabilities	$ 1,172,130	$ 569,006
Notes payable	224,245	113,544
Subord. deben.	28,295	27,580
Deferred inc. taxes	68,971	60,619
Other liabilities	22,843	20,723
+ Common stock	95,645	95,645
Add. paid-in capital	132,750	130,792
Retained earnings	2,121,405	1,879,721
For. curr. trans.	8,436	5,356
Treasury stock	(634,739)	(328,676)
Total Liabilities & Shareholders' Equity	$ 3,239,980	$ 2,574,310

* At lower of cost (primarily average) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	10.53	12.62
% Net Income to Sales	6.45	7.74
% Net Income to Equity	16.85	18.15
Debt to Equity	0.55	0.19
Working Capital	$ 1,312,517,000	$ 1,373,311,000
Current Ratio	2.12	3.41
Shareholders' Equity	$ 1,723,496,000	$ 1,782,838,000

TDK Corporation

1-13-1, Nihonbashi
Chuo-ku, Tokyo 103, Japan
(03) 278-5111

Officers: Yutaka Otoshi, chairman; Hiroshi Sato, president; Sho Masujima, executive vice president; Makoto Komoda, executive managing director; Goro Suzuki, executive managing director; Takao Masaki, executive director; Sadao Iwaya, executive director; Matsuo Takeuchi, executive director; Motoyuki Kurihara, executive director; Fukujiro Sono, executive director & adviser; Katsuro Kamiya, executive director & adviser; Shozaburo Yamamoto, executive director; Satoru Matsuura, executive director; Ryozo Kato, executive director; Tsuneo Kamata, executive director; Toyohiko Maruta, auditor; Yasuo Imaoka, auditor; Shunsuke Wakuri, auditor.

Areas of Work: The Company is the world's leading manufacturer of magnetic recording tapes and ferrite products and a major producer of coil, ceramic, and other components. These components include ferrite cores and magnets, rare-earth cobalt magnets, magnetic heads, inductors/coils, transformers, switching power supplies, DC/DC converters, noise filters, composite components, high-voltage units, thermal reed switches, microwave components, ceramic capacitors (including chips), ceramic filters and resonators, thermistors, buzzers and speakers, chip composite components, hybrid integrated circuits, varistors, thin-film heads, and MR sensors.

Subsidiaries (Japan):

Iida TDK Co., Ltd.
Production of TV and radio coil components

Tsuruoka TDK Co., Ltd.
Production of coil components

Yuza TDK Co., Ltd.
Production of ceramic components

Kisagata TDK Co., Ltd.
Production of ceramic components

Yashima TDK Co., Ltd.
Production of rotary transformers and noise filters

Ujo TDK Co., Ltd.
Production of ceramic components

TDK Service Co., Ltd.
Administration of welfare facilities for TDK and its employees

TDK Design Core Co., Ltd.
Advertising services mainly for TDK

TDK-MCC Co., Ltd.
Production of multilayer ceramic capacitors

Iwaki Kogyo Co., Ltd.
Plating of TDK metallic parts

Yuri TDK Co., Ltd.
Production of coil components

Konoura TDK Co., Ltd.
Production of coil components

TDK Core Co., Ltd.
Production and sale of educational recording media

Ouchi TDK Co., Ltd.
Production of coil components

TDK Distributor Co., Ltd.
Warehousing of TDK products

Sakata TDK Co., Ltd.
Production of coil components

Honjo TDK Co., Ltd.
Production of alumina substrates and hybrid IC's

Kofu TDK Co., Ltd.
Assembly of magnetic floppy heads

Yuzawa TDK Co., Ltd.
Assembly of noise-suppression connectors and antenna terminal capacitor units

Toso TDK Co., Ltd.
Assembly of microwave components

Subsidiaries (U.S.)

TDK U.S.A. Corporation
12 Harbor Park Drive
Port Washington, New York 11050
(516) 625-0100
A holding company

TDK Corporation of America
1600 Feehanville Drive
Mount Prospect, Illinois 60056
(708) 803-6100
Sales of TDK electronic components

TDK Electronics Corporation
12 Harbor Park Drive
Port Washington, New York 11050
(516) 625-0100
Sale of TDK recording media

TDK Magnetic Tape Corporation
611 Highway 74 South
Peachtree City, Georgia 30269-2047
(404) 487-5200
Production of recording media

TDK Components U.S.A., Inc.
One TDK Boulevard, Highway 74 South
Peachtree City, Georgia 30269-2047
(404) 631-0410
Production of multilayer chip ceramic capacitors

Saki Magnetics, Inc.
26600 Agoura Road
Calabasas, California 91302
(818) 880-4054
Production and sale of magnetic heads

TDK Ferrites Corporation
5900 North Harrison Street
Shawnee, Oklahoma 74801
(405) 275-2100
Production of large ferrite cores

TDK Texas Corporation
Sale of TDK electronic components

Discom, Inc.
Production and sale of deflection yoke coils for high-resolution computer monitors

Allen-Bradley/TDK Magnetics (50% owned)
5900 North Harrison Street
Shawnee, Oklahoma 74801
(405) 275-2100
Production of ferrite magnets

Transfer Agent(s):

The Chuo Trust & Banking Co., Ltd.
1-7-1, Kyobashi
Chuo-ku, Toyko 104, Japan

Stock Exchange(s): Tokyo, Osaka, Paris, London, New York (as ADR), Amsterdam (as CDR), Brussels and Antwerp (as DR), Frankfurt (as GBC)

Ticker Symbol: TDK (New York)

Number of Employees:

1990	22,185	1987	17,567
1989	19,361	1986	16,182
1988	19,646		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	¥ 477,865,000	¥ 23,190,000
1989*	118,001,000	6,292,000
1988	418,392,000	22,266,000
1987	398,258,000	18,066,000
1986	385,890,000	15,408,000

	No. of Com. Shares	Earn. per Share ‡
1990	125,439,821	¥ 181.34
1989*	120,462,231	50.15
1988	120,462,231	177.18
1987	120,462,231	150.05
1986	120,358,740	128.02

¥ - Yen
* 4 months
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(millions)

	1990 (4 months)	1989
Recording media	¥ 165,203	¥ 50,230
Electron. materials & compon.		
Ferrite cores & magnets	128,819	36,472
Coil & assembled components	92,716	28,654
Ceramic components	49,174	15,734
Other	41,953	6,911
Total	¥ 477,865	¥ 138,001

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥42.00	—	—
1989	14.00	—	—
1988	40.00	—	—
1987	40.00	—	—
1986	40.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	¥ 333,523,000	¥2,658.83
1989	285,899,000	2,373.35
1988	280,824,000	2,331.22
1987	264,915,000	2,199.15
1986	253,932,000	2,109.79

Income Account *
(millions)

Year ended Mar. 31	1990 (4 months)	1989
Net sales	¥ 477,865	¥ 138,001
Cost of sales	317,250	92,183
Expenses	104,801	30,318
Interest expense	10,223	2,154
Interest income	(9,911)	(1,974)
Loss on dispos.	1,668	586
Other expense (income)	2,489	(1,247)
Income before taxes	¥ 51,345	¥ 15,981
Income taxes	28,030	9,659
Minority interest	125	30
Net Income	¥ 23,190	¥ 6,292

* Included in Costs and Expenses, Depreciation and Amortization ¥ 32,874,000,000 in 1990 and ¥ 9,421,000,000 in 1989.

Assets
(millions)

As of Nov. 30	1990	1989
Cash & cash equiv.	$ 90,159	¥ 80,787
Marketable securities	57,474	40,587
Accts. receiv., net	118,834	99,769
*Inventories	100,592	88,933
Prepaid expenses	24,033	16,192
Current Assets	$ 391,092	¥ 326,268
Investments & advances	21,845	17,194
≠Fixed assets	179,594	151,911
Other assets	19,944	4,810
Total Assets	¥ 612,475	¥ 500,183

Liabilities
(millions)

Short-term bank loans	¥ 61,938	¥ 52,812
Long-term debt, curr.	6,016	839
Accts. payable	57,820	46,544
Accruals	22,015	15,883
Income taxes	20,998	10,190
Other current liabilities	10,923	9,146
Curr. Liabilities	¥ 175,710	¥ 135,414
Long-term debt	83,619	60,179
Retirement benefits	18,407	17,849
Minority interest	1,216	842
+Common stock	16,020	6,208
Add. paid-in capital	46,434	36,624
Legal reserve	3,335	3,045
Retained earnings	269,215	250,589
For. curr. trans.	(1,481)	(10,567)
Total Liabilities & Shareholders' Equity	¥ 612,475	¥ 500,183

* At lower of cost (average) or market.
≠ Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

% Income bef. Taxes to Sales	10.74	11.58
% Net Income to Sales	4.85	4.56
% Net Income to Equity	6.95	2.20
Sales to Inventories	4.75	1.55
Debt to Equity	0.45	0.40
Working Capital (000's)	¥ 215,382,000	¥ 190,854,000
Current Ratio	2.23	2.41
Shareholders' Equity (000's)	¥ 333,523,000	¥ 285,899,000

Technical Communications Corporation

100 Domino Drive
Concord, Massachusetts 01742
(617) 862-6035
FAX: (508) 371-1280

Officers: Arnold M. McCalmont, chairman & president; Herbert A. Lerner, treasurer; Edward E. Hicks, secretary & clerk; John I. Gill, v.p.-manufacturing.

Directors: Arnold M. McCalmont, chairman; Herbert A. Lerner; Dean L. Kellogg; Frank Gabron; Blanton C. Wiggin; Phillip St. Germain; Lawrence A. Kletter.

Areas of Work: Designs, manufactures, and markets high-performance secure communications systems and cryptographic devices used to protect sensitive communications sent over voice, data, and facsimile networks.

Subsidiaries:

TCC Foreign Sales Corp. (FSC)
TCC Investment Corp.

Transfer Agent(s):

American Stock Transfer Company
40 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TCCO (NASDAQ)

Number of Employees:

1990	50	1987	N.A.
1989	50	1986	35
1988	40		

Plant Footage:

1990	22,800 sq. ft.	1987	22,800
1989	22,800	1986	22,800
1988	22,800		

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income †
1990	$ 11,346,152	$ 1,530,720
1989	13,416,374	1,974,376
1988	10,389,853	1,514,096
1987	3,280,560	103,476
1986	2,572,129	(1,189,946)

	No. of Com. Shares	Earn. per Share † ‡
1990	1,223,501	$ 1.25
1989	1,223,376	1.62
1988	1,220,776	1.20
1987	1,211,776	—
1986	1,204,576	—

(Loss)
† Including extraordinary gains of $227,700 ($0.19 per share) in 1988 and $32,000 ($0.03 per share) in 1987.
‡ Based on the weighted average number of shares outstanding during each year.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 6,317,395	$ 5.16
1989	5,914,473	4.83
1988	3,934,159	3.22
1987	2,407,688	1.99
1986	2,290,262	1.90

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 11,346,152	$ 13,416,374
Cost of sales	3,437,167	4,899,150
Expenses	5,927,857	5,774,757
Oper. income	$ 1,981,128	$ 2,742,467
Interest income	(437,613)	(471,557)
Interest expense	72,603	5,829
Other expense (income)	(18,100)	1,727
Income bef. taxes	$ 2,364,238	$ 3,206,468
Income taxes	833,518	1,232,092
Net Income	$ 1,530,720	$ 1,974,376

* Included in Costs and Expenses, Depreciation and Amortization $121,153 in 1990 and $101,156 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 4,037,601	$ 4,955,951
Short-term invest.	—	1,941,100
Accts. receiv., net	5,154,451	2,029,343
*Inventories	997,505	761,561
Prepaid income taxes	141,703	763,974
Other curr. assets	100,719	85,896
Current Assets	$ 10,431,979	$ 10,537,825
≠Fixed assets	376,725	321,043
Other assets	112,472	114,475
Total Assets	$ 10,921,176	$ 10,973,343

Liabilities

Long-term debt, curr.	$ 162,250	$ —
Accts. payable	693,529	420,937
Accrued payroll	1,625,343	1,748,498
Other accruals	851,407	1,358,811
Def. inc. taxes	305,204	1,530,624
Curr. Liabilities	$ 3,637,733	$ 5,058,870

Long-term debt	966,048	—
+Common stock	122,380	122,338
Add. paid-in capital	1,250,495	1,250,007
ESOP def. compensation	(1,128,298)	—
Retained earnings	6,072,848	4,542,128
Total Liabilities & Shareholders' Equity	$ 10,921,176	$ 10,973,343

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.10 par value

Statistical Summary

% Income bef. Taxes to Sales	20.84	23.90
% Net Income to Sales	13.49	14.72
% Net Income to Equity	24.23	13.96
Sales to Inventories	11.37	17.62
Debt to Equity	0.18	—
Working Capital	$ 6,794,246	$ 5,478,955
Current Ratio	2.87	2.08
Shareholders' Equity	$ 6,317,395	$ 5,914,471

The Technical Materiel Corporation

700 Fenimore Road
Mamaroneck, New York 10543-2301
(914) 698-4800
FAX: (914) 698-4805

Officers: Ray H. de Pasquale, chairman of the board & treasurer; Neil H. de Pasquale, president; Frank Budetti, v.p.; Ruth S. Taylor, secretary

Directors: R.H. de Pasquale, chairman; F. Budetti; G.W. Jennings; Neil H. de Pasquale; Sandra E. MacDonald

Areas of Work: Engaged in the engineering and manufacture of single sideband radio communications equipment, including field installation, servicing and maintenance.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Number of Employees:

1990	15	1988	15
1989	15		

Plant Footage:

1990	33,000 sq. ft.	1988	33,000
1989	33,000		

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 1,123,274	$ (531,970)
1989	686,237	(240,561)
1988	833,521	(120,415)
1987	1,165,067	65,877
1986	1,170,414	(826,751)

	No. of Com. Shares	Earn. per Share ‡ †
1990	2,847,704	$ —
1989	2,847,704	—
1988	2,847,704	—
1987	2,847,704	0.02
1986	2,847,704	—

(Loss)
‡ Including extraordinary gain of $13,613 ($0.0048 per share) in 1987, and extraordinary losses of $548,000 in 1990 and $518,225 in 1986.
† Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 269,022	$ 0.09
1989	800,992	0.28
1988	1,041,553	0.37
1987	1,211,968	0.43
1986	1,144,091	0.40

Income Account*

Year ended Sept. 30	1990	1989
Net sales	$ 1,123,274	$ 686,237
Cost of sales	660,350	488,937
Expenses	255,446	243,834
Interest expense	195,664	196,769
Other income	(19,016)	(5,408)
Inc. (loss) bef. taxes	$ 30,830	$ (237,895)
Income taxes	14,800	2,666
Net Income (Loss)	$ 16,030	$ (240,561)
Extraord. loss	(548,000)	
Net Income (Loss) & extraord. loss	$ (531,970)	$ (240,561)

* Included in Costs and Expenses, Depreciation: $26,014 in 1990 and $19,883 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	$ 35,264	$ 3,606
Accts. receiv., net	192,466	305,923
*Inventories	1,996,229	2,513,721
Prepaid expenses	31,829	19,091
Current Assets	$ 2,255,788	$ 2,842,341
# Fixed assets	174,213	148,261
Total Assets	$ 2,430,001	$ 2,990,602

Liabilities

Mortgage notes payable	$ 200,000	$ 150,000
Demand notes payable	1,235,000	1,290,000
Accts payable	200,472	174,395
Accrued taxes & expenses	507	215
Curr. Liabilities	$ 1,635,979	$ 1,614,610
Long-term debt	525,000	575,000
+Common stock	355,963	355,963
Add. paid-in capital	6,924,042	6,924,042
Accumulated deficit	(7,010,983)	(6,479,013)
Total Liabilities & Shareholders' Equity	$ 2,430,001	$ 2,990,602

* At lower of cost (average) or market
# Less accumulated depreciation and amortization
+ $0.125 par value

Statistical Summary

% Income bef. Taxes to Sales	2.74	—
% Net Income to Sales	1.43	—
% Net Income to Equity	5.96	—
Sales to Inventories	0.56	0.27
Debt to Equity	7.29	2.52
Working Capital	$ 619,809	$ 1,227,731
Current Ratio	1.38	1.76
Shareholders' Equity	$ 269,022	$ 800,992

Technitrol, Inc.

1210 Northbrook Drive, Suite 385
Trevose, Pennsylvania 19053
(215) 355-2900
FAX: (215) 355-7397

Officers: Roy E. Hock, chairman & president; James J. Rafferty, Jr., v.p.; J. Barton Harrison, secretary; Robert J. Citrino, treasurer; Thomas J. Flakoll, v.p.; Albert Thorp, controller

Directors: Roy E. Hock, chairman; Edward M. Mazze, Gordon Palmer, Jr.; J. Barton Harrison, Edwin S. Eichert, III, James M. Papada, III, James J. Rafferty, Jr., Thomas J. Flakoll, Graham Humes

Areas of Work: Manufactures power transformers, pulse transformers, delay lines, electronic scales, electronic force measuring instruments, electronic components, metal laminate material and stampings.

Divisions:

Components & Transformer Division
Philadelphia & Petersburg, Pennsylvania
Greensboro, Maryland

Products Division
1952 East Allegheny Avenue
Philadelphia, Pennsylvania 19134

Subsidiaries:

Advanced Metallurgy, Inc.
McKeesport, Plum Boro, Delmont & Lancaster, Pennsylvania
Luquillo, Puerto Rico
Manufactures electrical contacts for circuit breakers and semiconductor devices.

John Chatillon & Sons, Inc.
Kew Gardens, New York
Greensboro, North Carolina
Manufactures scales, force measuring instruments, and springs.

Chace Precision Metals, Inc.
Reidsville, North Carolina
Manufactures bonded metal laminates for thermostatic and non-thermostatic applications.

Technitrol International Inc.
Wilmington, Delaware

Lloyd Instruments Ltd.
Fareham, England

Transfer Agent(s):

Registrar and Transfer Company
Cranford, New Jersey

Stock Exchange(s): American

Ticker Symbol: TNL

Number of Employees:

1990	871	1987	578
1989	1,105	1986	551
1988	1,073		

Plant Footage:

1990	359,200 sq. ft.	1987	238,600
1989	394,400	1986	238,600
1988	608,000		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 83,614,000	$ 4,624,000
1989	91,940,000	7,569,000
1988	68,890,000	5,672,000
1987	43,321,000	5,143,000
1986	37,385,000	3,202,000

Technitrol, Inc.

	No. of Com. Shares	Earn. per Share ‡
1990	1,963,000	$ 2.34
1989	1,970,250	3.85
1988	1,952,100	2.91
1987	1,936,950	2.57
1986	2,002,870	1.59

+ Of continuing operations only

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business
(000's)

	1990	1989
Electronic products	$ 22,634	$ 23,938
Electrical products	36,967	39,903
Mechanical products	24,013	28,099
Total	$ 83,614	$ 91,940

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.12	—	—
1989	0.90	—	—
1988	0.72	—	—
1987	0.54	—	—
1986	0.38	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 37,442,000	$ 19.07
1989	35,014,000	17.77
1988	29,014,000	14.86
1987	24,604,000	12.70
1986	21,925,000	10.95

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 83,614,000	$ 91,940,000
Cost of sales	62,470,000	65,235,000
Expenses	13,673,000	15,477,000
Interest income	(841,000)	(701,000)
Interest expense	797,000	1,500,000
Other income	(62,000)	(129,000)
Income before taxes	$ 7,577,000	$ 10,558,000
Income taxes	2,953,000	2,989,000
Net Income	$ 4,624,000	$ 7,569,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,695,000 in 1990 and $3,478,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash	$ 1,252,000	$ 2,640,000
Cert. of deposit	11,830,000	4,600,000
Marketable securities	805,000	18,000
Accts. & notes receiv., net	10,226,000	13,468,000
•Inventories	11,103,000	12,809,000
Prepaid inc. taxes	—	707,000
Prepaid expenses	110,000	350,000
Current Assets	$ 35,326,000	$ 34,592,000
‡Fixed assets	15,911,000	17,274,000
Other assets	315,000	654,000
Total Assets	$ 51,552,000	$ 52,520,000

Liabilities

Long-term debt, curr.	$ 2,339,000	$ 2,331,000
Accts. payable	1,537,000	2,597,000
Accrued payroll	1,355,000	1,732,000
Income taxes	27,000	—
Dividends payable	550,000	552,000
Other accruals	3,190,000	2,690,000
Curr. Liabilities	$ 8,998,000	$ 9,902,000
Long-term debt	4,964,000	7,303,000
Deferred inc. taxes	148,000	301,000
+Common stock	373,000	373,000
Add. paid-in capital	3,161,000	2,745,000
Retained earnings	39,451,000	37,042,000
Treasury stock	(4,782,000)	(4,459,000)
Unearned comp. stock plan	(761,000)	(687,000)
Total Liabilities & Shareholders' Equity	$ 51,552,000	$ 52,520,000

• At lower of cost (FIFO) or market

‡ Less accumulated depreciation

+ $0.125 par value

Statistical Summary

% Income bef. Taxes to Sales	9.06	11.48
% Net Income to Sales	5.53	8.23
% Net Income to Equity	12.35	21.62
Sales to Inventories	7.53	7.18
Debt to Equity	0.20	0.28
Working Capital	$ 26,328,000	$ 24,690,000
Current Ratio	3.93	3.49
Shareholders' Equity	$ 37,442,000	$ 35,014,000

Tech/Ops Sevcon, Inc.

One Beacon Street
Boston, Massachusetts 02108
(617) 523-2030
FAX: (617) 523-0073

(In January 1988, Tech/Ops, Inc. was divided into two, new separate public companies, Tech/Ops Sevcon, Inc. and Tech/Ops Landauer, Inc.)

Officers: Marvin G. Schorr, chairman of the board; Paul A. McPartlin, v.p. & chief financial officer; Bernard F. Start, president & chief executive officer; Robert P. Moncreiff, secretary & counsel; Paul B. Rosenberg, treasurer.

Directors: Marvin G. Schorr, chairman; Bernard F. Start, Eric T. Clarke, Milton C. Lauenstein, Harold C. Mayer, Jr., Paul B. Rosenberg, Herbert Roth, Jr., C. Vincent Vappi.

Areas of Work: Designs, manufactures and distributes solid state controls for electric vehicles, including forklift trucks, mining vehicles, airport tractors, sweepers, and other battery-powered vehicles.

Subsidiaries:

Sevcon Limited
Kingsway
Gateshead, NE11 OQA, England
091-487-8516

Tech/Ops S.A.
12 Rue Jean Poulmarch
95100 Argenteuil, France
1-3410-9545

Sevcon, Inc.
40 North Avenue
Burlington, Massachusetts 01803
(617) 272-3612

ICW Limited
Miners Road
Llay Industrial Estate
Wrexham, Clwyd, LL12 0PJ, Wales
(0978) 853805

Transfer Agents:

The Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: TOC

Number of Employees:

1990	215	1987	211
1989	207	1986	200
1988	225		

Plant Footage:

1990	66,000 sq. ft.	1987	66,000
1989	66,000	1986	66,000
1988	66,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 16,876,000	$ 1,649,000
1989	14,323,000	1,380,000
1988	14,268,000	1,039,000
1987	10,631,000	557,000
1986	10,275,000	817,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	1,778,000	$ 0.93
1989	2,029,000	0.68
1988	2,084,000	0.50
1987	2,036,000	0.27
1986	2,016,000	0.41

‡ Based on the weighted average number of common shares and common share equivalents outstanding. Previous to 1988, shares presented are those for Tech/Ops.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 5,918,000	$ 3.33
1989	7,103,000	3.50
1988	5,926,000	2.84
1987	5,034,000 *	2.47
1986	4,017,000 *	—

* Parent company investment

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$16,876,000	$14,323,000
Cost of sales	9,785,000	8,394,000
Expenses	4,560,000	3,940,000
Interest expense	12,000	3,000
Interest income	(153,000)	(200,000)
Other expense (income)	33,000	(59,000)
Income before taxes	$ 2,639,000	$ 2,245,000
Income taxes	990,000	865,000
Net Income	$ 1,649,000	$ 1,380,000

* Included in Costs and Expenses, Depreciation and Amortization: $254,000 in 1990 and $245,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 1,456,000	$ 3,442,000
Accts. receiv., net	3,360,000	2,446,000
•Inventories	2,597,000	1,620,000
Current Assets	$ 7,413,000	$ 7,508,000
‡Fixed assets	1,399,000	1,094,000
Costs in exc. of assets acq.	1,515,000	1,505,000
Other assets	100,000	86,000
Total Assets	$ 10,427,000	$ 10,193,000

Liabilities

Notes payable	$ 2,000	$ 12,000
Accts payable	1,612,000	606,000
Dividend payable	127,000	
Accrued compensation	841,000	605,000
Other accruals	1,278,000	920,000
Accrued income taxes	339,000	636,000
Curr Liabilities	$ 4,199,000	$ 2,779,000
Deferred inc taxes	310,000	311,000
+ Common stock	1,692,000	2,026,000
Add paid-in capital	2,248,000	3,422,000
Retained earnings	2,021,000	2,209,000
Cum trans adjust	(43,000)	(554,000)
Total Liabilities & Shareholders' Equity	$ 10,427,000	$ 10,193,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ No par value, $1 stated value

Statistical Summary

% Income bef Taxes to Sales	15.64	15.67
% Net Income to Sales	9.77	9.63
% Net Income to Equity	27.86	19.43
Sales to Inventories	6.50	8.84
Working Capital	$ 3,214,000	$ 4,729,000
Current Ratio	1.77	2.70
Shareholders' Equity	$ 5,918,000	$ 7,103,000

Tech-Sym Corporation

10500 Westoffice Drive
Houston, Texas 77042-5311
(713) 785-7790
FAX (713) 780-3524

Officers: Wendell W. Gamel, chairman of the board & president; Ray F. Thompson, treasurer & controller; Coy J. Scribner, v.p. & president-Metric Systems Corp.; O. Dale Burris, president-TRAK Microwave Corporation; J. Rankin Tippins, general counsel & secretary; Alice Stacy, asst. secretary

Directors: Keith R. Beeman, Wendell W. Gamel, Robert E. Moore, Joal A. Teresko, Coy J. Scribner, Rollin J. Sloan, Christopher C. Kraft, Jr., Albert A. Gallotta, Jr., Charles K. Watt, W. L. Creech

Areas of Work: Engaged primarily in the design, development, production and sale of advanced electronic systems, and electronic components and aeromechanical products, principally in defense-related markets.

Divisions and Subsidiaries:

TRAK Microwave Corporation
4726 Eisenhower Boulevard
Tampa, Florida 33634
(813) 884-1411

Designs, manufactures and markets a variety of electronic microwave components that are sold to manufactures of electronic systems.

TRAK Microwave Company Limited
3 Lindsay Court
Dundee Technology Park
Dundee DD2 1TY Scotland
0382 561509

Manufactures a broad range of ferrite isolators and circulators, along with a variety of other passive microwave components, for commercial applications.

Metric Systems Corporation
645 Anchors Street
Fort Walton Beach, Florida 32548
(904) 244-9600

Produces military electronics, industrial and commercial data interface, monitoring and data processing. Military electronic products include timing terminals, the IRIG Time Reader, real time interface systems, meterological data processing systems, and other computer oriented systems. Produces monitoring and controls products and systems for paper mill boiler operations, paper production and electric power companies. Has developed a microprocessor, a small scale digital computer designed around a central integrated circuit. The Aeromechanics Division of Metric Systems Corporation is a supplier of materials and equipment for the domestic military transportation market; products include aerial delivery equipment.

Enterprise Electronics Corporation
128 S. Industrial Boulevard
Enterprise, Alabama 36330
(205) 347-3478

World-wide supplier of radar systems for meterology. The systems detect, analyze and display information on weather patterns.

Tecom Industries, Inc.
9324 Topanga Canyon Blvd.
Chatsworth, California 91311
(818) 341-4010

Manufactures antennas for surveillance, communications, electronic warfare, missiles, and telemetry. Other products include positioners and controllers.

Syntron, Inc.
17200 Park Row
Houston, Texas 77084
(713) 579-7700

Manufactures marine seismic equipment.

Syntron Europe Limited
Birchwood Way
Cotes Park Industrial Estate
Somercotes
Derbyshire DE 554QQ, United Kingdom
(0773) 605078

Manufactures, services and repairs streamer cables for use in marine geophysical operations.

Continental Electronics Corporation
4212 South Buckner Boulevard
Dallas, Texas 75227
(214) 381-7161

Transfer Agent(s):

First City Texas-Houston, N.A.
Stock Transfer Section
P.O. Box 809
Houston, Texas 77001

The Chase Manhattan Bank, N.A.
Shareholder Services
1 New York Plaza, 14th Floor
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: TSY

Number of Employees:

1990	1,801	1987	1,706
1989	1,653	1986	1,538
1988	1,752		

Plant Footage:

1990	898,066 sq. ft.	1987	450,750
1989	480,350	1986	431,000
1988	480,350		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 134,770,000	$ 7,743,000
1989	119,035,000	6,369,000
1988	120,396,000	4,591,000
1987	110,615,000	8,295,000
1986	100,046,000	8,517,000

	No. of Com. Shares	Earn. per Share ‡
1990	6,399,115	$ 1.26
1989	6,399,115	0.98
1988	6,592,325	0.70
1987	6,595,985	1.25
1986	6,623,245	1.29

+ Of continuing operations only
‡ Based on the weighted average number of shares outstanding during each year

Revenues By Line of Business

	1990	1989	1988	1987
Microwave prods.	21 %	30 %	28 %	27 %
Naval systems	16	17	17	20
Antennas & antenna systems	7	11	11	12
Training systems	23	27	26	23
Seismic monitoring syst.	17	9	10	8
Other	16	6	9	10
Total	100 %	100 %	100 %	100 %

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 90,327,000	$ 14.12
1989	87,436,000	13.66
1988	83,093,000	12.60
1987	78,612,000	11.92
1986	70,648,000	10.67

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 134,770,000	$ 119,035,000
Cost of sales	88,507,000	80,674,000
Expenses	28,202,000	23,641,000
Prod. develop. costs	4,279,000	3,626,000
Interest expense	3,037,000	2,736,000
Other income	(1,798,000)	(1,561,000)
Income bef. taxes	$ 12,543,000	$ 9,919,000
Income taxes	4,800,000	3,550,000
Net Income	$ 7,743,000	$ 6,369,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,658,000 in 1990 and $5,084,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash	$ 9,694,000	$ 4,898,000
Marketable securities	12,717,000	18,604,000
Receivs., net	25,972,000	17,682,000
Unbilled revenue	37,665,000	42,724,000
*Inventories	29,229,000	17,155,000
Other curr. assets	979,000	467,000
Current Assets	$ 116,256,000	$ 101,530,000
#Fixed assets	32,495,000	24,991,000
Long-term receivables	2,195,000	875,000
Other assets	7,306,000	7,341,000
Total Assets	$ 158,252,000	$ 134,737,000

Liabilities

Notes payable & long-term debt, curr	$ 3,096,000	$ 1,936,000
Accts. payable	7,899,000	5,595,000
Income taxes	2,451,000	695,000
Accruals	21,750,000	8,246,000
Current Liabilities	$ 35,196,000	$ 16,472,000
Long-term debt	27,624,000	25,544,000
Deferred inc. taxes	1,911,000	2,756,000
Other liabilities	3,194,000	2,529,000
+ Common stock	692,000	692,000
Add. paid-in capital	32,471,000	32,471,000
Retained earnings	66,041,000	58,298,000
Treasury stock	(8,877,000)	(4,025,000)
Total Liabilities & Shareholders' Equity	$ 158,252,000	$ 134,737,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation and depletion
+ $0.10 par value

Tech-Sym Corporation

Statistical Summary

% Income bef. Taxes to Sales		9.31		8.33
% Net Income to Sales		5.75		5.35
% Net Income to Equity		8.57		7.28
Sales to Inventories		4.61		6.94
Debt to Equity		0.34		0.31
Working Capital	$	81,060,000	$	85,058,000
Current Ratio		3.30		6.16
Shareholders' Equity	$	90,327,000	$	87,436,000

Tektronix, Inc.

P.O. Box 500
14150 S.W. Karl Brown Drive
Beaverton, Oregon 97077
(503) 627-7111
FAX: (503) 627-5139

Officers: Robert W. Lundeen, chairman; Jerome J. Meyer, president & chief executive officer; Gary Arnold, v.p. & chief financial officer; Charles H. Frost, v.p.-public affairs; Richard Hill, v.p. & gen. mgr.-Oscilloscope Group; Lawrence R. Kaplan, v.p. & gen. mgr.-Visual Systems Group; Richard I. Knight, v.p. & gen. mgr.-Systems Group; R. Allen Leedy, Jr., v.p., sec., & gen. counsel; Tom Long, v.p. & gen. mgr.-Technology Group; Philip J. Robinson, v.p.-administration; John W. Vold, v.p.-business development; Pat Kunkle, v.p.-human resources; Steven Kerman, v.p.-worldwide marketing & sales; Terry Clifford, treasurer; Jack Raiton, controller; Barbara J. Block, asst. treasurer; Linda S. Green, asst. secretary; Edward J. Lewis, asst. secretary; Sandra A. Lusk, asst. controller

Directors: Robert W. Lundeen, chairman; William D. Walker; Paul E. Bragdon; F. Paul Carlson; Donald O. Pederson; Jean E. Vollum; Leo J. Chamberlain; Alfred M. Gleason; Andrew Smith; Keith R. McKennon

Areas of Work: In the Test and Measurement segment, the company manufactures digital and analog oscilloscopes, logic analyzers, microprocessor development products, spectrum analyzers, digitizers, semiconductor curve tracers, modular line of general purpose test instruments and accessories which include probes, attenuators, connectors, adapters, cart and specially equipped hard copy devices such as plotters and cameras to record waveforms displayed on CRTs.

In the Visual Systems Products segment, the company manufactures graphic computer terminals and color graphics printers.

In the Communications Products segment, the company manufactures television test equipment including vectorscopes, waveform monitors, picture monitors, signal generators, test systems, demodulators, correctors, cable and fiber optic testers, data communications analyzers, network analyzers and fiber optic links. Grass Valley Group products include routers, switchers, editors, and digital effects systems.

Subsidiaries:

TriQuint Semiconductor, Inc.
Beaverton, Oregon

Tektronix Development Corp.
Beaverton, Oregon

Tektronix Foreign Sales Corporation
St. Thomas, U.S. Virgin Islands

Tektronix Asia, Limited
Beaverton, Oregon

The Grass Valley Group, Inc.
Grass Valley, California

Dubner Computer Systems, Inc.
Fort Lee, New Jersey

LP Com, Inc.
Mountain View, California

Colorado Data Systems, Inc.
Englewood, Colorado

Int'l. Manufacturing:

Hinditron Tektronix Instruments Ltd. (joint venture)
Bangalore, India

Sony/Tektronix Corporation (joint venture)
Tokyo & Gotemba, Japan

Tektronix Holland N.V.
Heerenveen, The Netherlands

Tektronix Hong Kong Limited
Hong Kong

Tektronix U.K. Ltd.
Hoddesdon, United Kingdom

Int'l. Sales and Service:

Tektronix Australia Pty. Ltd.
Sydney, Melbourne, Brisbane, Canberra, Adelaide & Perth, Australia

Tektronix Ges. mbH
Vienna & Graz, Austria

Tektronix S.A.
Brussels, Belgium

Tektronix Canada Inc.
Barrie, Calgary, Edmonton, Montreal, Ottawa, Toronto & Vancouver, Canada

Tektronix A/S
Copenhagen & Aabyhoej, Denmark

Tektronix S.A.
Paris, Aix-en-Provence, Lyon, Nanterre, Merignac, Rennes, Strasbourg & Toulouse, France

Tektronix GmbH
Cologne, Berlin, Frankfurt, Hamburg, Karlsruhe, Munich, & Nuremberg, Germany

Tektronix Hong Kong Limited
Hong Kong

Hinditron Tektronix Instruments Ltd.
Bangalore, Bombay, New Delhi, Calcutta, Madras, Pune, Ahmadabad & Secunderabad, India

Sony/Tektronix Corporation (joint venture)
Tokyo, Atsugi, Fukuoka, Nagoya, Osaka, Omiya, Sendai, Tama, Tsuchiura, Japan

Tektronix Taiwan Ltd.
Taipei & Kaohsiung, Taiwan

Tektronix U.K. Limited
London & Manchester, England, Livingston, Scotland

Tektronix AB
Stockholm & Gothenburg, Sweden

Tektronix International AG
Zug, Switzerland

Tektronix Ireland Limited
Dublin, Ireland

Tektronix Norge A/S
Oslo, Norway

Tektronix Oy
Helsinki, Finland

Tektronix Industria e Comercio Ltda.
Rio de Janeiro & Sao Paulo, Brazil

Tektronix S.A. de C.V. (joint venture)
Mexico City, Mexico

Tektronix S.p.A.
Milan, Rome and Turin, Italy

Tektronix Espanola S.A.
Madrid, Barcelona & Bilbao, Spain

Tektronix China, Limited
Hong Kong & Beijing, People's Republic of China

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Pacific

Ticker Symbol: TEK

Number of Employees:

1990	12,500	1987	17,099
1989	15,708	1986	19,251
1988	16,085		

Plant Footage:

1990	7,400,000 sq. ft.	1987	7,689,000
1989	7,545,000	1986	7,901,000
1988	7,578,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,408,253,000	$ (92,595,000)
1989	1,432,996,000	18,905,000
1988	1,411,864,000	(16,667,000)
1987	1,395,885,000	51,188,000
1986*	1,352,212,000	39,327,000

	No. of Com. Shares †	Earn. per Share ‡
1990	29,050,000	$ —
1989	28,947,000	0.66
1988	28,155,000	—
1987	36,977,000	1.33
1986*	38,555,000	0.98

( ) Loss
* 53 weeks
† Adjusted to reflect stock split.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1990	1989
Test & measure. prod. sales	$ 799,505,000	$ 857,603,000
Visual systems prod. sales	307,260,000	279,056,000
Communications prod. sales	301,488,000	296,337,000
Total	$ 1,408,253,000	$ 1,432,996,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.60	—	—
1989	0.60	—	—
1988	0.60	—	—
1987	0.55	—	2-for-1
1986	0.50	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 384,628,000	$ 13.24
1989	497,320,000	17.18
1988	497,496,000	17.67
1987	838,424,000	22.67
1986	837,059,000	21.71

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	5/26/90	5/27/89
Net sales	$ 1,408,253	$ 1,432,996
Cost of sales	711,064	714,490
Expenses	644,379	650,158
Restruc. charges	79,981	—
Interest expense	23,938	23,224
Other income	(768)	(12,203)
Inc. (loss) bef. taxes	$ (70,341)	$ 57,330
Income taxes	22,254	38,425
Net Income (Loss)	$ (92,595)	$ 18,905

* Included in Costs and Expenses, Depreciation $73,125,000 in 1990 and $75,373,000 in 1989.

Assets
(000's)

As of	5/26/90	5/27/89
Cash & cash equiv.	$ 71,470	$ 70,727
Accts. receiv.	246,051	259,414
* Inventories	165,924	183,920
Other curr. assets	39,076	35,326
Current Assets	$ 522,521	$ 549,387
≠ Fixed assets	361,323	344,463
Other assets	89,444	129,168
Total Assets	$ 973,288	$ 1,023,018

Liabilities
(000's)

	5/26/90	5/27/89
Short-term debt	$ 85,554	$ 133,710
Accts. payable	120,628	113,328
Accrued compensation	103,660	87,829
Deferred revenue	21,875	18,122
Income taxes	8,147	4,054
Curr. Liabilities	$ 339,864	$ 357,043
Long-term debt	175,117	113,887
Deferred inc. taxes	30,787	30,973
Other liabilities	42,892	23,795
+ Common stock	166,779	167,263
Retained earnings	183,910	293,909
Currency trans. adj.	33,939	36,148
Total Liabilities & Shareholders' Equity	$ 973,288	$ 1,023,018

* At lower of cost or market. (U.S. inventories at LIFO, foreign at FIFO)
≠ Less accumulated depreciation
+ No par value

Statistical Summary

	5/26/90	5/27/89
% Income bef. Taxes to Sales	—	4.00
% Net Income to Sales	—	1.32
% Net Income to Equity	—	3.80
Sales to Inventories	8.49	7.79
Debt to Equity	0.68	0.50
Working Capital	$ 182,657,000	$ 294,421,000
Current Ratio	1.54	2.18
Shareholders' Equity	$ 384,628,000	$ 497,320,000

Teledyne, Inc.

1901 Avenue of the Stars
Los Angeles, California 90067
(213) 277-3311
FAX (213) 551-4267

Officers: Henry E. Singleton, chairman of the board; George A. Roberts, vice chairman & chief executive officer; William P. Rutledge, president; Hudson B. Drake, sr. v.p.; Gordon J. Bean, v.p.; Gary L. Riley, v.p.; Judith R. Nelson, general counsel & secretary; Douglas J. Grant, treasurer.

Directors: Henry E. Singleton, chairman, George Kozmetsky, George A. Roberts, Arthur Rock, Fayez Sarofim, William P. Rutledge.

Areas of Work: The Company's major business segments include aviation and electronic products, industrial products, specialty metal products, and consumer products. Aviation and electronic products include aircraft engines, airframe structures, remotely piloted vehicles, drone systems, spacecraft and avionics. This segment also includes the manufacture of semiconductors, relays, aircraft monitoring and control systems, military electronic equipment and other related products and systems. Internal combustion engines are the major product of the industrial segment, including the manufacture of air and water cooled, gasoline and diesel fueled engines. Other products in this segment include machine tools, dies and consumable tooling. Specialty metal products include zirconium, high-speed and alloy steels, tungsten and molybdenum. Other operations in this segment include processing, casting, rolling and forging metals. The consumer segment includes oral hygiene products, shower massages, water filters, high fidelity speakers and other products and services. The Company also conducts insurance operations.

Divisions and Subsidiaries:

Aviation and Electronics

Teledyne Aerospace Systems
1007 E. 10th Street
Fairmont, Minnesota 56031
Designs and produces high quality multi-conductor electrical cable assemblies and wiring harnesses.

Teledyne Avionics
Charlottesville-Albemarle Airport
Charlottesville, Virginia 22906
Produces angle of attack instrumentation, pneumatic instrumentation such as the IVSI (Intertial-lead Vertical Speed Indicator), and audiometers used to screen children for hearing disabilities.

Teledyne Battery Products
840 West Brockton
Redlands, California 92374
Designs and manufactures dry charged lead acid batteries for military trucks, aircraft, standby power, and other specialty applications.

Teledyne Brown Engineering
Cummings Research Park
Huntsville, Alabama 35807
Manufactures missile components and subsystems and targets and drones for the military; performs tasks ranging from ground test support for the main engine to the role of payload integration, in the U.S. Shuttle program.

Teledyne CAE
1330 W. Laskey Road
Toledo, Ohio 43612
Designs, develops and manufactures gas turbine engines.

Teledyne Systems
131 North Fifth Avenue
Arcadia, California 91006
Manufactures photographic instrumentation, photo-optical systems and components including specialized airborne cameras, underwater photographic equipment and infrared detection systems.

Teledyne Continental Motors Aircraft Products
Brookley & Industrial Complex
Mobile, Alabama 36615
Produces aircraft piston engines.

Teledyne Controls
12333 W. Olympic Boulevard
Los Angeles, California 90064
Produces a wide variety of electronic equipment for commercial, military and other applications, including airborne electronic equipment utilizing automatic digital communication.

Teledyne Components
147 Sherman Street
Cambridge, Massachusetts 02140
Manufactures high reliability semiconductors and specializes in the redevelopment of silicon transistor, tuning and current regulator diodes and hybrid microcircuits.

Teledyne Electro-Mechanisms
110 Lowell Road
Hudson, New Hampshire 03051
Produces flexible etched circuitry used in high reliability aerospace and electronic applications where space and weight requirements must be kept to a minimum.

Teledyne Electronics
649 Lawrence Drive
Newbury Park, California 91320
Designs, develops and manufactures airborne and ground based identification systems and test equipment (Identification Friend or FOE/Air Traffic Control). Also produces telemetry transmitters, multiplexers and signal conditioning equipment.

Teledyne Hastings-Raydist
804 Newcombe Avenue
Hampton, Virginia 23661
Provides products and services for navigational purposes such as precise radio location and positioning in inland and coastal waterways.

Teledyne Kinetics
410 South Cedros Avenue
Solana Beach, California 92075
Designs and manufactures proprietary electro-mechanical products including motor drive switches for use on missiles and space vehicles and printed circuit connectors.

Teledyne Lewisburg
Industrial Park
Lewisburg, Tennessee 37091
Manufactures high reliability electronic and electromechanical equipment for defense, space and industrial applications including UHF radio communications systems, fixed station transceivers, process control equipment for nuclear energy plant safety systems and data acquisition equipment for wind tunnel operation and control.

Teledyne McCormick Selph
3601 Union Road
Hollister, California 95023
Produces ordnance devices and specialty chemicals.

Teledyne MEC
3165 Porter Drive
Palo Alto, California 94304
Manufactures microwave devices for use in electronic counter-measures.

Teledyne Microelectronics
12964 Panama Street
Los Angeles, California 90066
Manufactures custom, high-reliability hybrid microcircuits.

Teledyne Microwave
1290 Terra Bella Avenue
Mountain View, California 94043
Designs and manufactures passive and active microwave devices and subsystems, including filters, multiplexers and integrated sub-assemblies; ferrite components including circulators and isolators; coaxial, SPDT, transfer and multithrow switches and voltage controlled oscillator systems.

Teledyne Neosho
Doniphan Drive
Neosho, Michigan 64850
Precision gear for jet, tubine, and reciprocating engines.

Teledyne Components
Allied Drive at Route 128
Dedham, Massachusetts 02026
Manufactures hybrid and modular electronic components including, data converters, linear circuit components, nonlinear components and power supplies.

Teledyne Relays
12525 Daphne Avenue
Hawthorne, California 90250
Manufactures hermetically sealed electromechanical relays and solid-state relays for electronic applications.

Teledyne Ryan Aeronautical
2701 Harbor Drive
San Diego, California 92138
Designs and develops remotely piloted supersonic airborne vehicles, Doppler velocity sensors, radar and infrared altimeters, microwave and electronically scannable antennas and space landing radars.

Teledyne, Inc.

Teledyne Ryan Electronics
8650 Balboa Avenue
San Diego, California 92123
Designs and manufactures high-technology radar-related navigation and avionic systems.

Teledyne Components
1300 Terra Bella Avenue
Mountain View, California 94043
Manufactures semiconductor components and integrated circuits.

Teledyne Systems
19601 Nordhoff Street
Northridge, California 91324
Engaged in the manufacture of airborne and spaceborne computers, intertial and radio frequency navigation systems, custom test and ground support systems. Sales are principally to government and defense.

Teledyne Thermatics
P.O. Box 909
Elm City, North Carolina 27822
Full service wire and cable company

Transfer Agent(s):

Bank of America N.T. & S.A.
Corporate Agency Service Center
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): New York, Pacific

Ticker Symbol: TDY

Number of Employees:

1990	33,200	1987	44,400
1989	44,000	1986	44,800
1988	43,800		

Plant Footage:

1990	22,400,000 sq. ft.	1987	22,200,000
1989	22,500,000	1986	22,200,000
1988	22,700,000		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 3,445,800	$ 94,800
1989	3,531,200	258,900
1988	3,534,600	391,800
1987	3,216,800	377,200
1986	3,241,400	238,300

	No. of Com. Shares ‡	Earn. per Share ‡
1990	55,412,845	$ 1.71
1989	55,504,340	4.66
1988	57,570,575	6.81
1987	58,468,300	6.45
1986	58,547,390	4.07

+ Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Aviation & electronics	$ 1,471,400	$ 1,465,700
Specialty metals	853,700	922,700
Industrial	796,100	809,400
Consumer & other	324,600	333,400
Total	$ 3,445,800	$ 3,531,200

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.80	—	5-for-1
1989	0.80	—	—
1988	0.80	—	—
1987	0.80	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1990	$ 523,500	$ 9.45
1989	2,326,900	41.92
1988	2,138,400	37.14
1987	1,976,000	33.80
1986	1,636,600	27.95

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 3,445,800	$ 3,531,200
Cost of sales	2,769,000	2,750,200
Sell. & adm. exp.	529,900	505,900
Interest expense	68,400	69,600
Other income	(17,900)	(26,200)
Income before taxes	$ 96,400	$ 231,700
Income taxes	27,200	81,400
Inc.-cont. oper.	$ 69,200	$ 150,300
Inc.-discont. oper.	25,600	108,600
Net Income	$ 94,800	$ 258,900

* Included in Costs and Expenses, Depreciation and Amortization: $90,600,000 in 1990 and $97,800,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & market. secur.	$ 186,000	$ 236,400
Receivables	493,400	455,500
*Inventories	293,200	296,900
Deferred inc. taxes	112,800	67,000
Prepaid expenses	17,700	17,000
Current Assets	$ 1,103,100	$ 1,072,800
#Fixed assets	355,500	345,400
Prepaid pension cost	137,600	95,400
Other assets	69,900	69,100
Net assets-discont. oper.	—	1,880,800
Total Assets	$ 1,666,100	$ 3,463,500

Liabilities
(000's)

Accts. payable	$ 160,700	$ 156,900
Accruals	371,100	316,200
Current Liabilities	$ 531,800	$ 473,100
Long-term debt	510,600	571,300
Deferred inc. taxes	48,800	50,800
Other liabilities	51,400	41,400
+Common stock	55,400	11,100
Add. paid-in capital	34,500	78,800
Retained earnings	428,400	2,167,200
Equity in unrealized apprec.	—	67,000
Curr. trans. adjust.	5,200	2,800
Total Liabilities & Shareholders' Equity	$ 1,666,100	$ 3,463,500

* At lower of cost (LIFO and FIFO) or market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

% Net Income to Equity	18.11	11.13
Sales to Inventories	11.75	11.89
Debt to Equity	0.98	0.25
Working Capital	$ 571,300,000	$ 599,700,000
Current Ratio	2.07	2.27
Shareholders' Equity	$ 523,500,000	$ 2,326,900,000

Telxon Corporation

3330 West Market Street
Akron, Ohio 44313-3352
(216) 867-3700
FAX: (800) 321-2424

Officers: Robert F. Meyerson, chairman; Raymond D. Meyo, president & chief exec. officer; Dan R. Wipff, sr. exec. v.p., chief financial officer & chief operating officer; D. Michael Grimes, sr. v.p.-sales & marketing; John Cribb, sr. v.p.- international.

Directors: Robert F. Meyerson, chairman; Raymond D. Meyo, Dan R. Wipff, Norton W. Rose, Raj Reddy.

Areas of Work: Designs, manufactures, markets and services hand-held, portable, interactive microcomputer systems.

Subsidiaries:

Telxon mobile datenerfassung GmbH
Gutenbergring 1-5
2000 Norderstedt
Hamburg, Germany

Telxon Limited
Old Orchard High Street
Poole, Dorset BH151AE, United Kingdom

Telxon Canada Corporation, Inc.
80 Micro Court, Suite 100
Markham, Ontario L3R 9Z5 Canada

Telxon Australia Pty. Limited
Commercial Union Building, 3rd Floor
90 Arthur Street
North Sydney, N.S.W. 2060 Australia

Telxon France S.A.
Parc Hightec Apogee
Avenue Du Canada
ZA de Courto-boeuf, 91966 Les Ulis Cedex, France

MicroOffice Systems Technology, Inc.
3330 West Market Street
Akron, Ohio 44313-3352

Telxon Italia s.r.l.
Palazzo Cimabue Via Cassanese, 224
20090 Segrate
Italy

Transfer Agent(s):

AmeriTrust Company N.A.
900 Euclid Avenue
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TLXN (NASDAQ)

Number of Employees:

1990	1,100	1988	910
1989	1,200	1987	760

Sales & Earnings

	Revenues	Net Income †
1990	$ 143,437,000	$ (14,440,000)
1989	159,622,000	15,371,000
1988	123,860,000	14,012,000
1987	100,819,000	12,730,000
1986	82,095,000	8,109,000

	No. of Com Shares ‡	Earn per Share † ‡
1990	13,223,571	$ —
1989	13,201,867	1.17
1988	13,363,964	1.05
1987	13,574,644	0.94
1986	12,722,962	0.64

† Including extraordinary gains of $499,000 ($0.04 per share) in 1989, $121,000 ($0.01 per share) in 1988, $399,000 ($0.03 per share) in 1987 and $224,000 ($0.02 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Product sales	$ 115,773,000	$ 138,465,000
Field service	27,664,000	21,157,000
Total	$ 143,437,000	$ 159,622,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.01	—	—
1989	0.01	—	—
1988	0.01	—	—
1987	0.01	—	—
1986	0.007	—	3-for-2

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 83,434,000	$ 6.31
1989	95,353,000	7.22
1988	79,559,000	5.95
1987	69,256,000	5.10
1986	54,673,000	4.30

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*
(000's)

Year ended Mar. 31	1990	1989
Revenues	$ 143,437	$ 159,622
Cost of sales & serv.	92,687	79,167
Expenses		
Selling	41,370	34,109
Prod. develop. & eng.	10,337	9,849
Gen. & adm.	19,657	13,681
Loss on sale of oper. div.	4,577	—
Interest income	(3,937)	(4,051)
Interest expense	3,914	3,762
Inc. (loss) bef. taxes	$ (25,168)	$ 23,105
Income taxes (credit)	(10,728)	8,233
Net Income (Loss)	$ (14,440)	$ 14,872
Extraord. gain	—	499
Net Income (Loss) & extraord. gain	$ (14,440)	$ 15,371

* Included in Costs and Expenses, Depreciation and Amortization: $10,026,000 in 1990 and $6,329,000 in 1989.

Assets
(000's)

As of Mar. 31	1990	1989
Cash	$ 29,445	$ 12,902
Short-term invest.	26,098	36,906
Accts. receiv., net	31,180	52,847
Other receivables	2,823	2,588
Refund inc. taxes	9,830	—
*Inventories	34,777	38,234
Prepaid expenses	5,440	3,184
Current Assets	$ 139,593	$ 146,661
≠Fixed assets	18,486	17,494
Other assets	8,740	11,398
Total Assets	$ 166,819	$ 175,553

Liabilities
(000's)

	1990	1989
Notes payable	$ 1,477	$ 2,602
Convert. subord. deben.	10,119	—
Cap. lease oblig. curr.	631	585
Accts. payable	10,551	12,276
Income taxes	593	2,546
Accruals	20,162	11,373
Curr. Liabilities	$ 43,533	$ 29,382
Cap. lease oblig.	585	1,282
Convert. debentures	35,881	46,000
Deferred inc. taxes	1,992	2,359
Other liab.	1,394	1,177
•Common stock	132	131
Add. paid-in capital	43,761	41,568
Retained earnings	38,999	53,571
For. curr. adjust.	542	83
Total Liabilities & Shareholders' Equity	$ 166,819	$ 175,553

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
• $0.01 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Revenues	—	14.47
% Net Income to Revenues	—	9.32
% Net Income to Equity	—	15.60
Debt to Equity	0.58	0.53
Working Capital	$ 96,060,000	$ 117,279,000
Current Ratio	3.21	4.99
Shareholders' Equity	$ 83,434,000	$ 95,353,000

Tenney Engineering, Inc.

1090 Springfield Road
Union, New Jersey 07083
(201) 686-7870
FAX: (201) 686-7971

Officers: Robert S. Schiffman, chairman of the board, president & chief exec. officer; Saul S. Schiffman, vice chairman of the board; Frank E. Colgan, vice president, secretary & treasurer; Douglas J. Barrett, v.p.; G. Kenneth Sneden, vice president.

Directors: Robert S. Schiffman, chairman; Saul S. Schiffman, Walter Gottesman, David C. Schiffman, Stanley Siegel.

Areas of Work: Engineers, manufactures and markets high-technology environmental test equipment, custom thin film deposition equipment, and insulated enclosures.

Subsidiaries:

Tenney International, Inc. (FSC)

WesTenn Sales, Inc.
7783 S. Nevada Drive
Littleton, Colorado 80120

VacTenn, Inc.
1547 Industrial Road
San Carlos, California 94070
(415) 595-0833
Markets specialty lubricants and filtration systems to the aerospace, optical and semiconductor industries.

Gloekler Refrigerator Company
3950 West 20th Street
Erie, Pennsylvania 16512
(814) 838-1928
Manufactures insulated enclosures used in the refrigeration and drug industries.

DynaTenn Inc. dba DynaVac
30 Woodrock Road
P.O. Box 179
Weymouth, Massachusetts 02189
(617) 337-4111
Manufactures custom thin film deposition equipment and has a line of fully automated, computer-controlled optical coating systems.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: TNY

Number of Employees:

1990	210	1987	360
1989	240	1986	N.A.
1988	280		

Plant Footage:

1990	140,000 sq. ft.	1987	170,000
1989	141,280	1986	N.A.
1988	143,000		

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income
1990	$ 16,597,000	$ (1,096,000)
1989	19,915,000	(1,812,000)
1988	21,944,000	(2,292,000)
1987	15,567,000	(944,000)
1986	16,275,000	(91,000)

	No. of Com Shares ≠	Earn per Share ≠
1990	3,615,592	$ —
1989	3,620,301	—
1988	3,621,070	—
1987	3,603,597	—
1986	3,515,409	—

( ) Loss
+ Of continuing operations only.
≠ Based on the average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 2,767,000	$ 0.77
1989	3,863,000	1.07
1988	5,679,000	1.57
1987	7,973,000	2.21
1986	8,536,000	2.43

‡ Based on the average number of common shares outstanding.

Income Account *

Year ended Dec 31	1990	1989
Net revenue	$ 16,597,000	$ 19,915,000
Cost of sales	12,343,000	15,200,000
Expenses	5,006,000	5,892,000
Interest expense	702,000	651,000
Other income	(358,000)	(257,000)
Loss bef taxes	$ (1,096,000)	$ (1,571,000)
Tax credit	—	(80,000)
Loss - cont oper	$ (1,096,000)	$ (1,491,000)
Loss - discont oper	—	(321,000)
Net Loss	$ (1,096,000)	$ (1,812,000)

* Included in Costs and Expenses, Depreciation and Amortization $405,000 in 1990 and $438,000 in 1989.

Assets

As of Dec 31	1990	1989
Cash & cash equiv	$ 700,000	$ 644,000
Accts receiv, net	2,538,000	3,206,000
*Inventories	4,424,000	4,641,000
Prepaid expenses	282,000	195,000
Prop held for sale	731,000	—
Current Assets	$ 8,675,000	$ 8,686,000
≠Fixed assets	1,154,000	2,412,000
Net assets - discont oper	1,120,000	1,092,000
Other assets	100,000	154,000
Total Assets	$ 11,049,000	$ 12,344,000

Liabilities

	1990	1989
Long-term debt, curr	$ 1,063,000	$ 56,000
Accts pay & accruals	1,557,000	1,841,000
Accrued payroll	406,000	500,000
Billings in exc of revs on contracts	249,000	465,000
Curr Liabilities	$ 3,275,000	$ 2,862,000
Long-term debt	5,007,000	5,619,000
+Common stock	365,000	365,000
Add paid-in capital	2,050,000	2,050,000
Retained earnings	487,000	1,583,000
Treasury stock	(135,000)	(135,000)
Total Liabilities & Shareholders' Equity	$ 11,049,000	$ 12,344,000

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $0.10 par value

Statistical Summary

	1990	1989
Debt to Equity	2.19	1.47
Working Capital	$ 5,400,000	$ 5,824,000
Current Ratio	2.65	3.03
Shareholders' Equity	$ 2,767,000	$ 3,863,000

Teradyne, Inc.

321 Harrison Avenue
Boston, Massachusetts 02118
(617) 482-2700
FAX: (617) 482-6462

Officers: Alexander V. d'Arbeloff, chairman of the board & president; George W. Chamillard, v.p.-Teradyne Connection Systems; David P. Bernstein, v.p.-Assembly Test Sales; George V. d'Arbeloff, v.p.-Industrial/Consumer Division; Joseph B. Lassiter, III, v.p.-Assembly Test/EDA Group; Dennis P. O'Connell, v.p.-connection systems, Europe; James A. Prestridge, v.p.-Component Test Group; Owen W. Robbins, v.p.-finance; Frederick T. Van Veen, v.p.-corporate relations; Loren G. Eaton, v.p.-telecommunications division; Jeffrey R. Hotchkiss, v.p.-EDA sales; John M. Casey, v.p.-Semiconductor Test Sales; Daniel F. Murphy, v.p.-Connection Systems Sales; Thomas B. Newman, Jr., v.p.-Component Test Service; Ronald N. Borrelli, v.p.-Assembly Test Div.; Ronald J. Dias, v.p.-ATE manufacturing operations; Stuart M. Osattin, treasurer; Richard E. Dyck, v.p.-Teradyne Japan; Krishna Nasta, v.p.-Telecommunications, Europe; Edward Rogas, Jr., v.p.-Semiconductor Test Division; Guy W. Carter, v.p.-personnel; John P. McCabe, controller; Richard J. Testa, clerk.

Directors: Alexander V. d'Arbeloff, chairman; Henry M. Watts, Jr.; Franklin P. Johnson, Jr.; Edwin L. Artzt; John H. McArthur; Richard J. Testa; Dwight H. Hibbard; John P. Mulroney.

Areas of Work: Engaged in the design and manufacture of automatic and computer-operated instruments for testing semiconductors, electronic components, assemblies, certain types of printed circuit boards and networks, computer-operated laser-trimming systems for manufacturing hybrid circuits and film resistors, wire-wrap connectors and wire-wrapping service, and other electronic items. Also produces telephone line test systems, film resistors and wire-wrap connectors and backplane connection systems.

Divisions:

Assembly Test Group
Boston, Massachusetts
Walnut Creek, California

Semiconductor Test Division
Agoura Hills, California

Industrial-Consumer Division
Boston, Massachusetts

Connection Systems Division
Nashua, NH; Dublin, Ireland; Tokyo, Japan

Japan Division
Tokyo, Japan

Telecommunications Division
Deerfield, Illinois

Electronic Design Automation Group
Boston, Massachusetts
Santa Clara, California

Subsidiaries:

Teradyne S.A.
11 bis, Rue Roquepine
Paris VIII, France

Teradyne Holdings Limited
Teradyne Limited
Mark Instruments Limited
England

Teradyne Benelux, Inc.
Teradyne Hong Kong, Ltd.
Teradyne International, Inc.
Teradyne Japan, Ltd.
Teradyne Canada Limited
Teradyne Italia S.r.l.
Teradyne GmbH
Teradyne K.K.
Teradyne Korea, Ltd.

Zehntel, Inc.
Walnut Creek, California
Designs, manufactures and markets test systems for printed-circuit boards and other subassemblies.

AIDA Corporation
Santa Clara, California
Designs and markets computer-aided engineering products.

CASE Technology Inc.
Mountain View, California
Designs and markets computer-aided engineering products.

Transfer Agent(s):

Bank of Boston
Capital Markets Technologies/Shareholder Services
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: TER

Number of Employees:

1990	4,400	1987	4,700
1989	4,700	1986	4,300
1988	4,700		

Plant Footage:

1990	1,503,000 sq. ft.	1987	1,313,000
1989	1,157,000	1986	1,118,000
1988	1,223,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 458,900,000	$ (21,300,000)
1989	483,600,000	10,200,000
1988	462,300,000	(3,300,000)
1987	377,700,000	(21,100,000)
1986	351,100,000	(11,800,000)

	No. of Com Shares	Earn per Share ‡
1990	29,700,000	$ —
1989	29,300,000	0.35
1988	28,800,000	—
1987	28,400,000	—
1986	27,700,000	—

(Loss)
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Electronic systems & software industry	$ 377,162,000	$ 406,461,000
Backplane connection systems industry	81,715,000	77,114,000
Total	$ 458,877,000	$ 483,575,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 274,817,000	$ 9.26
1989	292,700,000	10.01
1988	278,400,000	9.68
1987	278,700,000	9.81
1986	295,500,000	10.67

Income Account *
(000's)

Year ended Dec 31	1990	1989
Net sales	$ 458,877	$ 483,575
Cost of sales	282,700	275,003
Expenses	196,904	190,884
Restruc costs	2,009	—
Interest income	(881)	(1,388)
Interest expense	6,012	6,799
Other income	—	(1,636)
Inc (loss) bef taxes	$ (27,867)	$ 13,913
Income taxes (credit)	(6,535)	3,756
Net Income (Loss)	$ (21,332)	$ 10,157

* Included in Costs and Expenses, Depreciation $34,552,000 in 1990 and $33,831,000 in 1989.

Assets
(000's)

As of Dec 31	1990	1989
Cash & cash equiv	$ 7,419	$ 3,864
Accts recerv , net	93,599	107,578
*Inventories	64,440	73,619
Refund inc taxes	1,586	429
Prepaid expenses	6,227	8,831
Current Assets	$ 173,271	$ 194,321
≠Fixed assets	200,312	207,703
Defer charges & other assets	15,348	15,848
Total Assets	$ 388,931	$ 417,872

Liabilities
(000's)

Notes payable	$ 6,344	$ 6,026
Long-term debt, curr	729	849
Accts payable	11,537	10,639
Accrued compensation	27,122	25,219
Unearned serv rev & cust advances	21,366	9,954
Other accruals	16,807	21,344
Income taxes pay	951	1,157
Curr Liabilities	$ 84,856	$ 75,188
Long-term debt	10,764	24,151
Convert subord deben	14,281	14,231
Def gain on bldg sale	2,881	3,405
Deferred inc taxes	1,332	8,156
+Common stock	3,708	3,657
Add paid-in capital	177,832	174,475
Retained earnings	93,277	114,609
Total Liabilities & Shareholders' Equity	$ 388,931	$ 417,872

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation
+ $0.125 par value

Statistical Summary

% Income bef Taxes to Sales	—	2.88
% Net Income to Sales	—	2.10
% Net Income to Equity	—	3.47
Sales to Inventories	7.12	6.57
Debt to Equity	0.12	0.15
Working Capital	$ 88,415,000	$ 119,133,000
Current Ratio	2.04	2.58
Shareholders' Equity	$ 274,817,000	$ 292,741,000

Terminal Data Corporation

5898 Condor Drive
Moorpark, California 93021-2601
(805) 529-1500
FAX (805) 529-6538

Officers: Jeffrey A. Wilson, president & chief executive officer; Guenther J. Gehart, v.p.-operations; Samuel L. Greene, v.p.-international sales; Harold Gross, v.p.-operations engineering; Tony W. Lougu, v.p.-sales & marketing; Stephen P. Loomis, v.p.-finance, chief financial officer & treasurer

Directors: Richard M. Drysdale, chairman; Rolando Esteverena, Charles A. Roberts, Jeffrey A. Wilson, Michael Rothbart, Stanley R. Schoen

Areas of Work: Designs, manufactures, sells and services micrographic and electronic document image capture devices for automated document management systems used in banks, credit card processing operations, large corporations, government agencies and others who manage large volumes of document images.

Subsidiaries:

TDC Properties Corp.
Terminal Data Service Corporation

Transfer Agent(s):

U.S. Stock Transfer Corporation
1745 Gardena Avenue
Glendale, California 91204

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TERM (NASDAQ)

Number of Employees:

1990	201	1987	325
1989	200	1986	370
1988	290		

Plant Footage:

1990	103,680 sq. ft.	1987	126,000
1989	103,680	1986	167,000
1988	103,680		

Sales & Earnings

	Net Sales	Net Income
1990	$ 21,455,000	$ (3,325,000)
1989	22,230,000	(2,299,000)
1988	27,251,000	(1,710,000)
1987	25,292,000	174,000
1986	31,010,000	(3,824,000)

	No. of Com Shares ‡	Earn per Share ‡
1990	4,573,000	$ —
1989	4,558,000	—
1988	4,518,000	—
1987	4,486,000	0.04
1986	4,482,000	—

( ) Loss
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Products	$ 22,028,000	$ 16,886,000
Engineering & services	5,223,000	5,344,000
Total	$ 27,251,000	$ 22,230,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 7,663,000	$ 1.68
1989	10,972,000	2.41
1988	13,189,000	2.92
1987	14,885,000	3.32
1986	14,671,000	3.27

‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept 30	1990	1989
Net sales	$ 21,455,000	$ 22,230,000
Cost of sales	16,529,000	16,765,000
Expenses	6,947,000	7,376,000
Special charges	611,000	306,000
Interest expense	569,000	604,000
Interest income	(198,000)	(325,000)
Loss on sale of fixed assets	239,000	20,000
Other expense (income)	83,000	(217,000)
Net Loss	$ (3,325,000)	$ (2,299,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,326,000 in 1990 and $1,121,000 in 1989.

Assets

As of Sept 30	1990	1989
Cash & cash equiv	$ 3,814,000	$ 3,814,000
Receiv., net	4,093,000	4,476,000
*Inventories	4,881,000	5,717,000
Other curr assets	95,000	130,000
Current Assets	$ 12,225,000	$ 14,137,000
≠Fixed assets	2,626,000	3,619,000
Other assets	911,000	1,431,000
Total Assets	$ 15,762,000	$ 19,187,000

Liabilities

Note payable	$ 500,000	$ —
Long-term debt, curr	337,000	622,000
Accts payable	974,000	1,020,000
Accrued payroll	891,000	954,000
Other accruals	806,000	728,000
Curr Liabilities	$ 3,508,000	$ 3,324,000
Long-term debt	4,320,000	4,584,000
Other deferred	271,000	307,000
+ Common stock	4,525,000	4,575,000
Add paid-in capital	14,255,000	14,268,000
Retained earn (deficit)	(11,117,000)	(7,792,000)
Deferred comp - ESOP	—	(16,000)
Note receiv - ESOP	—	(63,000)
Total Liabilities & Shareholders' Equity	$ 15,762,000	$ 19,187,000

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

Sales to Inventories	4.40	3.89
Debt to Equity	0.67	0.47
Working Capital	$ 8,717,000	$ 10,813,000
Current Ratio	3.48	4.25
Shareholders' Equity	$ 7,663,000	$ 10,972,000

Texas Instruments Incorporated

P.O. Box 655474
13500 North Central Expressway
Dallas, Texas 75265
(214) 995-2011
FAX (214) 995-4360

Officers: Jerry R. Junkins, chairman, president & chief executive officer; William I. George, exec. v.p.; John W. White, v.p.; William B. Mitchell, exec. v.p.; William P. Weber, exec. v.p.; George H. Heilmeier, sr. v.p. & chief technical officer; Richard J. Agnich, sr. v.p.-secretary & general counsel; William A. Aylesworth, sr. v.p., treasurer & chief financial officer; Marvin M. Lane, Jr., v.p. & corporate controller; David D. Martin, v.p.; Charles F. Nielson, v.p.; James W. Martin, v.p.; Walden C. Rhines, v.p.; Liston M. Rice, Jr., v.p.; Joseph D. Zimmerman, v.p.; Clara C. O'Donnell, asst. secretary

Directors: Jerry R. Junkins, chairman; Mark Shepherd, Jr., John C. Toomay, Gerald W. Fronterhouse, David C. Garrett, Jr., William P. Weber, Bernard M. Fauber, David M. Roderick, James R. Adams, Robert A. Hanson, William S. Lee, William B. Mitchell

Areas of Work: Develops, manufactures and markets semiconductors, including integrated circuits, small, medium, and large scale arrays (MOS and Bipolar), microprocessors & microcomputors, transitors, radar systems, electro-optic systems, missile guidance and control systems, classified electronics equipment; business consumer and scientific calculators, electronic learning aids, opto-electronic devices, electronic and electro-mechanical parts and assemblies, safety and control devices; clad metals; digital computers and computer systems, software productivity tools, electronic data terminals and printers.

Subsidiaries:

Texas Instruments Asia Limited
Texas Instruments Deutschland G.m.b.H.

Texas Instruments Incorporated

Texas Instrumentos Electronicos do Brasil Limitada
Texas Instruments Equipamento Electronico (Portugal) Lda.
Texas Instruments France S.A.
Texas Instruments Holland B.V.
Texas Instruments Italia S.p.A.
Texas Instruments Japan Limited
Texas Instruments Limited (U.K.)
Texas Instruments Malaysia Sdn. Bhd.
Texas Instruments Singapore (Pte) Limited
Texas Instruments Taiwan Limited
Texas Instruments Trade & Investment Company, S.A. (Panama)

Transfer Agent(s):

Harris Trust and Savings Bank
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): New York, London, Geneva, Basel, Zurich, Tokyo

Ticker Symbol: TXN

Number of Employees:

1990	70,318	1987	77,984
1989	73,854	1986	77,270
1988	75,685		

Plant Footage:

1990	27,680,407 sq. ft.	1987	25,340,348
1989	27,127,982	1986	25,360,668
1988	26,649,595		

Sales & Earnings

	Revenues (000's)	Net Income † (000's)
1990	$ 6,567,000	$ (39,000)
1989	6,521,900	291,700
1988	6,446,900	366,300
1987	5,816,200	321,400
1986	4,988,400	63,100

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	81,614,000	$ —
1989	84,934,000	3.04
1988	84,820,000	4.05
1987	82,023,000	3.74
1986	75,942,000	0.69

(Loss)
† Including extraordinary loss of $10,800,000 ($0.14 per share) in 1986.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Components	$ 3,159,000	$ 3,269,000
Defense electronics	2,124,000	2,159,000
Digital products	1,243,000	1,024,000
Metallurgical materials	159,000	191,000
Eliminations	(118,000)	(121,000)
Total	$ 6,567,000	$ 6,522,000

Common Stock

	Cash Dividend •	Stock Dividend	Stock Split
1990	$ 0.72	—	—
1989	0.72	—	—
1988	0.72	—	—
1987	0.71	—	3-for-1
1986	0.67	—	—

• Adjusted to reflect stock split

Common Stock Equity

	Total Equity † (000's)	Equity Per Share ‡
1990	$ 1,837,000	$ 22.51
1989	1,964,100	23.13
1988	1,722,800	20.31
1987	1,364,400	16.63
1986	1,059,900	13.96

† After allowing for preferred stock at liquidation value.
‡ Based on the average number of shares oustanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net revenues	$ 6,567,000	$ 6,521,900
Cost of revenues	5,327,000	5,089,700
Expenses	1,183,000	1,044,700
Retirement & Prof. sh. plan	83,000	68,100
Oper. profit (loss)	$ (26,000)	$ 319,400
Interest on loans	24,000	25,600
Other income	(29,000)	(59,000)
Inc. (loss) bef. taxes	$ (21,000)	$ 354,800
Income taxes	18,000	63,100
Net Income (Loss)	$ (39,000)	$ 291,700

* Included in Costs and Expenses, Depreciation $541,000,000 in 1990 and $453,700,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 403,000	$ 418,200
Short-term invest.	9,000	219,200
Accts. receiv., net	944,000	942,900
*Inventories	887,000	806,400
Prepaid expenses	62,000	59,700
Current Assets	$ 2,305,000	$ 2,446,400
#Fixed assets	2,480,000	2,129,700
Other assets	263,000	228,300
Total Assets	$ 5,048,000	$ 4,804,400

Liabilities
(000's)

	1990	1989
Loans payable & long-term debt, curr.	$ 35,000	$ 42,700
Accts. payable & accruals	1,388,000	1,210,700
Income taxes pay.	32,000	24,400
Accrued retire. & prof. sh. plan	5,000	7,500
Dividends payable	19,000	17,500
Curr. Liabilities	$ 1,479,000	$ 1,302,800
Long-term debt	715,000	617,500
Accrued pension costs	171,000	128,900
Deferred credits & other liab.	325,000	270,300
+Preferred stock		
Mkt. auction pref.	300,000	300,000
Conv. money market pref.	221,000	220,800
++Common stock	82,000	81,600
Add. paid-in capital	491,000	483,100
Retained earnings	1,269,000	1,403,900
Treasury stock	(5,000)	(4,500)
Total Liabilities & Shareholders' Equity	$ 5,048,000	$ 4,804,400

* At lower of cost, current replacement cost, or est. realizable value.
# Less accumulated depreciation
+ $25 par value
++ $1 par value

Statistical Summary

% Income bef. Taxes to Revenues	—	5.44
% Net Income to Revenues	—	4.47
% Net Income to Equity	—	11.74
Debt to Equity	0.32	0.27
Working Capital	$ 826,000,000	$ 1,143,600,000
Current Ratio	1.56	1.88
Shareholders' Equity	$ 2,358,000,000	$ 2,484,900,000

Texscan Corporation

10841 Pellicano Drive
El Paso, Texas 79935
(915) 594-3555
FAX: (915) 591-6984

Officers: William H. Lambert, chairman, president & chief executive officer; Harold C. Tamburro, v.p.-finance, chief financial officer & secretary; Berthold L. Henscheid, v.p.; Raymond G. Pastie, v.p.; George Fletcher, sr. v.p.-corp. marketing; William P. Dawson, v.p. & general mgr.-Texscan MSI; Michael G. Koerner, v.p.-operations; Donald Raskin, v.p.-engineering.

Directors: William H. Lambert, chairman; William L. Firestone, Burton G. Mendelson, Talton R. Embry, Shelby W. Werner, Shelly F. Greenhaus.

Areas of Work: Manufactures a broad line of distribution equipment for the cable television (CATV) industry. The company also designs, manufactures and markets multipoint distribution systems, character generators and commercial insertion equipment and is a large scale fiber optic system integrator.

Divisions and Subsidiaries:

Texscan MSI Corporation
3855 South 500 West
Suite 5
Salt Lake City, Utah 84115
(801) 262-8475

Texscan Communicaciones Banda Grande
S.A. de C.V.
Parque Ind. A.J. Bermudez
Apdo. Postal 1747 Suc 'D'
Cuidad, Juarez, Chihuahua, Mexico

Texscan Instruments Limited
One Northbridge Road
Berkhamsted, Hertfordshire, England

Texscan de Mexico
Melguiades Alanis
Fray Juan de Zumarraga
Cuidad Juarez, Chihuahua, Mexico

Societe Texscan S.A.
7, Rue Du Chemin Vert
94100 Saint Maur, France

Texscan Instruments Limited
Watermeadow, Germain Street
Chesham, Bucks HP5 1LF England, United Kingdom

Communications Products Division

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): AMEX

Ticker Symbol: TSX (AMEX)

Number of Employees:

1990	850	1987	1,200
1989	1,200	1986	900
1988	1,100		

Plant Footage:

1990	230,000 sq. ft.	1987	233,200
1989	N.A.	1986	184,700
1988	N.A.		

N.A. — Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 50,126,000	$ 2,095,000
1989	48,495,000	137,000
1988	39,801,000	3,161,000
1987	35,992,000	5,440,000
1986	47,078,001	(51,850,382)

	No. of Com Shares +	Earn. per Share +
1990	10,913,208	$ 0.19
1989	10,878,529	0.01
1988	10,184,179	0.31
1987	9,990,481	0.54
1986	9,990,481	—

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reorganization.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 10,266,000	$ 0.94
1989	6,551,000	0.60
1988	5,300,000	0.52
1987	(44,369,000)	—
1986	(49,808,907)	—

(Deficiency)
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reorganization.

Income Account *

Year ended April 30	1990	1989
Net sales	$ 50,126,000	$ 48,495,000
Cost of sales	32,108,000	30,546,000
Expenses	13,830,000	15,232,000
Prov. for unusual items	(152,000)	421,000
Interest expense	1,911,000	1,958,000
Interest income	(758,000)	(512,000)
For. curr. trans.	(101,000)	404,000
Income before taxes	$ 3,288,000	$ 446,000
Income taxes	1,193,000	309,000
Net Income	$ 2,095,000	$ 137,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,525,000 in 1990 and $1,568,000 in 1989.

Assets

As of April 30	1990	1989
Cash & cash equiv.	$ 9,870,000	$ 8,277,000
Receiv., net	9,205,000	9,505,000
* Inventories	9,801,000	7,184,000
Other curr. assets	278,000	515,000
Current Assets	$ 29,154,000	$ 25,481,000
‡ Fixed assets	7,662,000	8,249,000
Other assets	142,000	168,000
Total Assets	$ 36,958,000	$ 33,898,000

Liabilities

Long-term debt, curr.	$ 1,247,000	$ 625,000
Accts. payable	4,394,000	4,175,000
Warranty reserve	666,000	437,000
Accrued payroll	1,371,000	940,000
Accrued reorganization	364,000	667,000
Accrued taxes	970,000	910,000
Other accruals	1,536,000	1,312,000
Curr. Liabilities	$ 10,550,000	$ 9,266,000
Long-term debt	16,106,000	18,045,000
Deferred inc. taxes	36,000	36,000
+ Common stock	108,000	97,000
Add. paid-in capital	7,434,000	5,941,000
Retained earnings	3,044,000	949,000
Unearned emp. compensation	(320,000)	(436,000)
Total Liabilities & Shareholders' Equity	$ 36,958,000	$ 33,898,000

* At lower of cost (FIFO) or market.
‡ Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.56	0.92
% Net Income to Sales	4.18	0.28
% Net Income to Equity	20.41	2.09
Sales to Inventories	5.11	6.75
Debt to Equity	1.69	2.85
Working Capital	$ 18,604,000	$ 16,215,000
Current Ratio	2.76	2.75
Shareholders' Equity	$ 10,266,000	$ 6,551,000

Textron Inc.

40 Westminster Street
Providence, Rhode Island 02903
(401) 421-2800
FAX: (401) 421-2878

Officers: B. F. Dolan, chairman & chief executive officer; Maurice G. Wilkins, Jr., exec. v.p.-corp. development; James F. Hardymon, pres. & chief operating officer; Richard A. McWhirter, sr. v.p. & secretary; Charles F. Chapin, group v.p.; George H. Hartmann, group v.p.; Robert D. Batting, group v.p.; Gary E. Atwell, group v.p.; Frank Gulden, group v.p.; Derek Plummer, group v.p.; Edward O. Handy, Jr., v.p. & secretary; Thomas D. Soutter, executive v.p. & general counsel; Raymond W. Caine, Jr., v.p.-corporate communications; Gregory E. Hudson, v.p.-taxes; John L. Morse, v.p.-risk management/insurance; Richard A. Watson, v.p. & pres.-TIMCO; Dennis G. Little, exec. v.p. & chief financial officer; William F. Wayland, exec. v.p.-human resources; Robert B. Clendenen, v.p.-internal audit & business ethics; Brian T. Downing, v.p. & treasurer; Arnold M. Friedman, v.p. & deputy general counsel; William P. Janovitz, v.p. & controller; Mary L. Howell, v.p.-government affairs; Cecil W. Labhart, v.p.-info. systems services; Lorna E. Long, v.p.-human resources development & administration.

Directors: James R. Martin, Sam F. Segnar, Martin D. Walker, Robert P. Straetz, Webb C. Hayes, III, Barbara Scott Preiskel, Jean Head Sisco, B. F. Dolan, J. Paul Sticht, Joseph R. Carter, R. Stuart Dickson, William M. Ellinghaus, James F. Hardymon.

Areas of Work: A multi-industry company with operations in three business sectors: aerospace technology, commercial products, and financial services.

Divisions and Subsidiaries:

AEROSPACE TECHNOLOGY

Textron Lycoming
550 South Main Street
Stratford, Connecticut 06497
(203) 385-2000
Manufactures gas turbine engines for the military.

Textron Aerostructures
P.O. Box 210
Nashville, Tennessee 37202
(615) 361-2000
A major subcontractor to the aerospace industry. Principal products are wings and tail sections for military aircraft.

Textron Specialty Materials
Two Industrial Avenue
Lowell, Massachusetts 01851
(617) 452-8961
Develops and manufactures advanced composite materials and components, particularly for high-temperature use.

Textron Defense Systems
201 Lowell Street
Wilmington, Massachusetts 01887
(617) 657-5111
Develops and produces advanced technology weapon systems for the U.S. Department of Defense. Products include the reentry system and the Mark 21 reentry vehicle and fuze for the Peacekeeper missile.

Bell Aerospace Textron
P.O. Box One
Buffalo, New York 14240
(716) 297-1000
Rocket engines, communications and air cushion systems, aircraft landing systems, missile and spacecraft propulsion systems, rocket propellant tanks, inertial navigation instruments, gravity sensing systems, air cushion vehicles and surface effect ships.

Bell Helicopter Textron, Inc.
P.O. Box 482
Fort Worth, Texas 76101
(817) 280-2011
Military and commercial helicopters and vertical lift aircraft, systems integration, spare parts.

HR Textron Inc.
25200 West Rye Canyon Road
Valencia, California 91355
(805) 259-4030
System studies and analyses, flight control actuators, servovalve controls, cryogenic coolers, filters, automatic test equipment and product support.

Aircraft Engine Components
P.O. Box 11906
Netington, Connecticut 06111
(203) 666-4601
Manufactures to customer design, gas turbine engine components such as discs, hubs, cases, frames and precision gears for engine producers and the spare market.

Greenlee Textron
4455 Boeing Drive
Rockford, Illinois 61109
(815) 397-7070

Airfoil Textron
P.O. Box 4427
Lima, Ohio 45802
(419) 226-2900
Produces titanium and superalloy compressor components, both forgings and finished parts, for the domestic and international gas turbine industry.

Fuel Systems Textron
700 North Centennial
Zeeland, Michigan 49464
(616) 772-9171
Major products are fuel nozzles, manifolds and augmentors for military and commercial customers.

Cadillac Gage Textron
P.O. Box 1027
Warren, Michigan 48090
(313) 777-7100
Produces lightweight armored combat vehicles, turrets and weapon/turret control and stabilization systems.

Textron Marine Systems
6800 Plaza Drive
New Orleans, Louisiana 70127
(504) 245-6600
Produces air cushion vehicles and surface effect ships, principally for the U.S. Department of Defense.

COMMERCIAL PRODUCTS

Textron Inc.

North American Machine Tool
P.O. Box 700
Walled Lake, Michigan 48088
(313) 624-7800

Designs and manufacture of proprietary production machine tools, components and systems for the automotive, applicance, aerospace, bearing, off-highway and plastic components industries.

Davidson Exterior Trim Textron
Route 6, Box 10
Americus, Georgia 31709
(919) 924-6111

Manufactures and supplies exterior trim parts, principally fascia and body moldings, to manufacturers of cars and light trucks.

Davidson Instrument Panel Textron
875 Greenland Road
Building C
Portsmouth, New Hampshire 03801
(603) 433-4142

Develops, manufactures and markets high technology plastic instrument panels to car and light-truck producers.

Davidson Interior Trim Textron
Industrial Park
Dover, New Hampshire 03820
(603) 742-0720

Designs, engineers, manufactures and markets polymer-based trim components for automobiles and light trucks.

McCord Winn Textron
620 Washington Street
Winchester, Massachusetts 01890
(617) 729-4400

Manufactures electro-mechanical components for automobile and light truck producers.

CWC Castings
1085 West Sherman
Muskegon, Michigan 49441
(616) 733-1331

Iron castings for engine blocks, camshafts, cylinder heads, gears, manifolds, housings, transmission cases and other ferrous casting applications.

Randall
P.O. Box 46334
Cincinnati, Ohio 45246
(513) 896-9400

Manufactures metal and plastic parts and trim used in the automotive and appliance industries.

Speidel
70 Ship Street
Providence, Rhode Island 02903
(401) 421-8600

Watchbands, identification bracelets, analog quartz watches, jewelry, men's toiletries, and women's fragrances.

Camcar
600 18th Avenue
Rockford, Illinois 61104
(815) 961-5000

Cold-formed metal parts, proprietary and special fasteners for aerospace, automotive, railroad, and appliance industries.

Cherry
1224 East Warner Avenue
P.O. Box 2157
Santa Ana, California 92707
(714) 545-5511

Proprietary fastening systems for aerospace and commercial applications, locknut products and installation tools.

Townsend
5250-77 Center Drive
Suite 300
Charlotte, North Carolina 28217
(704) 525-8003

Special fasteners and cold-formed metal parts for aerospace, automotive, railroad, metal working, industrial construction industries and fastening systems.

Homelite
14401 Carowinds Boulevard
P.O. Box 7047
Charlotte, North Carolina 28241
(704) 588-3200

Chain saws, string trimmers, generators blowers, heaters, and pumps.

Jacobsen
1721 Packard Avenue
Racine, Wisconsin 53403
(414) 637-6711

Lawn mowers, snow throwers, lawn and garden tractors, commercial turf maintenance equipment.

E-Z-Go
P.O. Box 388
Augusta, Georgia 30913
(404) 798-4311

Produces gas and electric golf cars and utility vehicles.

Avdel plc
England

Manufactures fasteners.

FINANCIAL SERVICES

Textron Financial Corporation
P.O. Box 6687
Providence, Rhode Island 02940
(401) 272-8000

Financing and leasing programs to Textron Divisions to facilitate sale of their products.

Avco Financial Services
P.O. Box 19701
Irvine, California 92717
(714) 553-1200

Consumer finance.

Avco Insurance Services/Balboa Life and Casualty
P.O. Box 19702
Irvine, California 92713
(714) 553-0700

Collateral protection, credit life, disability and property casualty insurance.

Paul Revere Insurance Group
18 Chestnut Street
Worcester, Massachusetts 01608
(617) 799-4441

Principal product is individual noncancellable disability income insurance.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: TXT

Number of Employees:

1990	54,000	1987	61,000
1989	58,000	1986	72,000
1988	60,000		

Plant Footage:

1990	25,000,000 sq. ft.	1988	25,000,000
1989	25,000,000	1987	20,500,000

Sales & Earnings

	Net Sales * (000's)	Net Income † (000's)
1990	$ 5,470,600	$ 283,000
1989	5,272,500	259,200
1988	5,342,700	234,400
1987	5,388,400	256,300
1986	4,688,100	239,500

	No. of Com. Shares ‡	Earn. per Share †‡
1990	89,014,000	$ 3.18
1989	88,999,000	2.91
1988	87,910,000	2.67
1987	87,731,000	2.92
1986	82,564,000	2.90

* Of continuing operations only.
† Including extraordinary losses of $9,500,000 ($0.11 per share) in 1989, $37,700,000 ($0.43 per share) in 1988, $32,600,000 ($0.37 per share) in 1987 and $6,700,000 ($0.08 per share) in 1986.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Aerospace technology		
Helicopters	$ 1,195,400	$ 1,078,500
Propulsion	1,128,100	1,131,200
Systems	1,114,800	971,000
Commercial products	1,832,300	1,891,800
Total	$ 5,470,600	$ 5,272,500

Common Stock

	Cash Dividend *	Stock Dividend	Stock Split
1990	$ 1.000	—	—
1989	1.000	—	—
1988	1.000	—	—
1987	0.975	—	2-for-1
1986	0.900	—	—

* Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share †
1990	$ 2,630,570	$ 31.00
1989	2,512,725	28.24
1988	2,345,650	27.60
1987	2,262,235	25.19
1986	1,781,455	22.38

‡ After allowing for preferred stock at redemption values.
† Adjusted to reflect stock split.

Income Account*
(000's)

Year ended	12/29/90	12/30/89
Net sales	$ 5,470,600	$ 5,272,500
Interest & other charges	1,139,300	1,007,800
Insurance premiums	974,700	836,300
Interest income	333,000	323,500
Total income	$ 7,917,600	$ 7,440,100
Cost of sales	4,370,100	4,202,800
Expenses	1,343,600	1,252,500
Interest expense	774,600	733,100
Prov. for losses on finance recets	123,500	89,600
Insurance benefits	720,500	636,000
Amort. of insur. policy acq. costs	126,100	115,800
Income before taxes	$ 459,200	$ 410,300
Income taxes	176,200	141,600
Net Income	$ 283,000	$ 268,700
Extraord. loss	—	(9,500)
Net Income & extraord. loss	$ 283,000	$ 259,200

* Included in Costs and Expenses, Depreciation and Amortization $220,000,000 in 1990 and $214,300,000 in 1989.

Assets
(000's)

As of	12/29/90	12/30/89
Cash	$ 66,400	$ 29,300
Investments	3,348,100	3,079,600
Accts. receiv., net	6,683,400	5,988,300
*Inventories	1,294,200	1,320,800
‡Fixed assets	1,000,700	1,011,300
Unamort. insur. policy acq. costs	566,100	509,800
Goodwill	1,045,200	1,083,300
Other assets	887,400	768,000
Total Assets	$ 14,891,500	$ 13,790,400

Liabilities
(000's)

Accts. payable	$ 521,900	$ 503,500
Income taxes	328,700	350,600
Accruals	1,237,800	1,207,500
Insur. reserves & claims	2,896,400	2,564,400
Long-term debt	7,244,300	6,617,300
+Preferred stock		
$2.08 Cum. conv.	12,500	13,500
$1.40 Convertible	8,100	8,200
++Common stock	11,300	11,300
Add. paid-in capital	644,600	644,000
Retained earnings	2,183,800	1,989,200
Unearned comp. - ESOP	(73,100)	(93,000)
Other	19,900	23,300
Treasury stock	(144,700)	(49,400)
Total Liabilities & Shareholders' Equity	$ 14,891,500	$ 13,790,400

* At lower of cost (LIFO & FIFO) or market
≠ Less accumulated depreciation
+ No par value
++ $0.125 par value

Statistical Summary

% Income bef. Taxes to Sales	8.39	7.78
% Net Income to Sales	5.17	5.10
% Net Income to Equity	10.63	10.55
Sales to Inventories	4.23	3.99
Debt to Equity	2.72	2.60
Shareholders' Equity	$ 2,662,400,000	$ 2,547,100,000

Thermedics Inc.

(The Company is a 62%-owned subsidiary of Thermo Electron Corporation)

470 Wildwood Street
P.O. Box 2999
Woburn, Massachusetts 01888-1799
(617) 622-1111
FAX: (617) 622-1207

Officers: John W. Wood, Jr., president; Victor L. Poirier, sr. v.p.; John N. Hatsopoulos, v.p. & chief financial officer; Daniel L. Brown, v.p.; David H. Fine, v.p.; Freeman W. Fraim, v.p.; Paul F. Kelleher, chief accounting officer; Theo Melas-Kyriazi, treasurer; Sandra L. Lambert, clerk

Directors: Firooz Rufeh, chairman; John W. Wood, Jr.; Peter O. Crisp; George N. Hatsopoulos; Robert C. Howard; Nicholas T. Zervas; Paul F. Ferrari

Areas of Work: The Company's principal businesses are the development, manufacture, and sale of biomedical products, analytical instruments used to detect nitrogen-based compounds, and ventricular-assist devices, and sponsored research. Principal customers are government agencies and manufacturers of medical products.

Subsidiary:

Universal Voltronics Corp. (50.2% owned)
Designs and manufactures high-voltage [illegible] conversion systems for scientific research and for medical, defense, and industrial applications.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Mail Stop: 45-02-09
Boston, Massachusetts 02102-0644

Stock Exchange(s): American

Ticker Symbol: TMD

Number of Employees

1990	370	1989	316

Plant Footage

1990	182,000 sq. ft.	1989	137,000

Sales & Earnings

	Revenues	Net Income ‡
1990	$ 28,160,000	$ 3,091,000
1989	23,484,000	2,072,000
1988	25,360,000	1,620,000
1987	20,103,000	1,216,000
1986	15,848,000	(596,000)

	No. of Com. Shares +	Earn. per Share ‡ +
1990	18,016,000	$ 0.17
1989	17,283,000	0.12
1988	16,669,000	0.10
1987	15,710,000	0.08

(Loss)
‡ Including extraordinary gains of $317,000 ($0.02 per share) in 1988 and $231,000 ($0.02 per share) in 1987.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Instruments & biomed. prods.	$ 25,378,000	$ 17,237,000
Sponsored research	2,782,000	6,247,000
Total	$ 28,160,000	$ 23,484,000

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 66,948,000	$ 3.72
1989	53,505,000	3.10
1988	42,561,000	2.55
1987	36,424,000	2.32
1986	24,670,000	—

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	12/29/90	12/30/89
Revenues	$ 28,160,000	$ 23,484,000
Cost of revenues	19,004,000	16,042,000
Expenses	12,832,000	8,474,000
Interest expense	1,430,000	236,000
Interest income	(5,055,000)	(3,569,000)
Other income	(3,987,000)	(1,278,000)
Income before taxes	$ 3,936,000	$ 3,579,000
Income taxes	845,000	1,507,000
Net Income	$ 3,091,000	$ 2,072,000

* Included in Costs and Expenses - Depreciation and Amortization: $2,094,000 in 1990 and $1,782,000 in 1989.

Assets

As of	12/29/90	12/30/89
Cash & cash equiv.	$ 69,467,000	$ 24,332,000
Short-term invest.	6,681,000	7,918,000
Accts. receiv., net	5,621,000	4,132,000
Unbilled contract costs	918,000	698,000
*Inventories	8,087,000	5,241,000
Prepaid expenses	874,000	128,000
Due from parent co.	—	32,000
Current Assets	$ 91,648,000	$ 42,481,000
Investments	13,018,000	13,903,000
≠Fixed assets	5,401,000	3,650,000
Other assets	4,463,000	3,395,000
Cost in exc. of assets acq.	12,731,000	11,984,000
Total Assets	$ 127,261,000	$ 75,413,000

Liabilities

Long-term debt, curr.	$ 1,956,000	$ —
Accts. payable	1,259,000	1,896,000
Accrued payroll	1,097,000	908,000
Accrued interest	1,053,000	—
Accrued inc. taxes	416,000	484,000
Other accruals	877,000	505,000
Due to parent co.	274,000	—
Current Liabilities	$ 6,932,000	$ 3,793,000
Long-term debt	38,021,000	3,000,000
Other deferred items	358,000	42,000
Minority interest	6,278,000	137,000
+Common stock	1,835,000	1,775,000
Add. paid-in capital	60,073,000	49,618,000
Retained earnings	5,135,000	2,480,000
Treasury stock	(95,000)	(368,000)
Total Liabilities & Shareholders' Equity	$ 127,261,000	$ 75,413,000

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.10 par value

Statistical Summary

% Income bef. Taxes to Revenues	13.98	15.24
% Net Income to Revenues	10.98	8.82
% Net Income to Equity	4.62	3.87
Debt to Equity	0.60	0.06
Working Capital	$ 84,716,000	$ 38,688,000
Current Ratio	13.22	11.20
Shareholders Equity	$ 66,948,000	$ 53,505,000

Thermo Electron Corporation

101 First Avenue
P.O. Box 9046
Waltham, Massachusetts 02254-9046
(617) 622-1000
FAX: (617) 622-1207

Officers: George N. Hatsopoulos, chairman, president & chief executive officer; John N. Hatsopoulos, exec. v.p. and chief financial officer; Robert C. Howard, exec. v.p.; Peter G. Pantazelos, exec. v.p.; Walter J. Bornhorst, sr. v.p.; Arvin H. Smith, sr. v.p.; Jerry P. Davis, vice president; Firooz Rufeh, vice president; John P. Appleton, vice president; Marshall J. Armstrong, vice president; William A. Rainville, vice president; Paul F. Kelleher, v.p.-finance; William O. Flannery, v.p.-administration & general counsel; Theo Melas-Kyriazi, treasurer; Sandra L. Lambert, secretary

Directors: George N. Hatsopoulos, chairman; Robert A. McCabe; Donald E. Noble; Peter O. Crisp; Frank Jungers; Roger D. Wellington; Elias P. Gyftopoulos; John M. Albertine; Hutham S. Olayan; Frank E. Morris

Areas of Work: The Company's principal businesses are providing custom-engineered cogeneration power plants, resource recovery systems, and packaged cogeneration systems; environmental-monitoring, nuclear radiation-monitoring, and analytical instruments; thermal processing furnaces, web material process systems, and electroplating equipment; biomedical materials and products and explosives- and drug-detectors; metallurgical heat-treating and special metal fabrication services; analytical laboratory services for hazardous chemicals and nuclear health phylsics services, and environmental sciences, civil engineering, and water management services; and research and development services.

Thermo Environmental Corporation (85%-owned)
Nuclear health physics, hazardous waste management, water management and civil engineering, environmental consulting and monitoring, and industrial hygiene.

Tecogen Inc. (78%-owned)
Packaged cogeneration equipment, gas-fired commercial cooling systems, and cogeneration operating and maintenance services.

Thermo Instrument Systems Inc. (81%-owned)
Environmental pollution instruments, specialty process controls, nuclear radiation monitors, and analytical instruments.

Thermo Electron Corporation

Thermo Process Systems Inc. (89%-owned)
Metallurgical heat-treating systems, hazardous waste incinerators, and aerospace/defense heat-treating services.

Thermedics Inc. (65%-owned)
Biocompatible polymers, wound dressing products, percutaneous access devices, enteral feeding products, instruments and detectors.

Thermo Cardiosystems Inc.
(59%-owned by Thermedics Inc.)
Manufactures implantable heart assist devices.

Instruments Division

Environmental Instruments
108 South Street
Hopkinton, Massachusetts 01748

Analytical Instruments
101 First Avenue
P.O. Box 2108
Santa Fe, New Mexico 87501

Eberline
Airport Road
P.O Box 2108
Santa Fe, New Mexico 87501

Air Monitoring
2015 Bellaire Avenue
Royal Oak, Michigan 48067

Environmental Analysis Laboratory
2030 Wright Avenue
Richmond, California 94804

Thermo Electron Limited
Woolborough Lane
Crawley, West Sussex RH10 2AQ England

Thermo Electron Nippon Co., Ltd
3-5-11 Minami Nakaburi
Hiakaba, Osaka, Japan

Van Hengel Instruments B.V.
Heerbaan 220
Breda, The Netherlands

Van Hengel Instrumente GmbH
Baiertalerstrasse 24-26
6908 Wiesloch, West Germany

Energy Systems Division
Research, development and manufacturing programs related to the conversion of energy and the generation of power.

Energy Systems
101 First Avenue
P.O. Box 459
Waltham, Massachusetts 02254

Crusader Engines
7100 East 15 Mile Road
Sterling Heights, Michigan 48077

Metallurgical Equipment Division
Designs, develops, manufactures and markets controlled atmosphere furnaces and associated equipment for industrial heat-treating processes.

Loftus
5 Gateway Center
Pittsburgh, Pennsylvania 15222

Holcroft
12068 Market Street
Livonia, Michigan 48150
(313) 261-8410

Holcroft & Company (Canada) Ltd
Bessemer Court
London, Ontario N6E 1K7 Canada

NAPCO, Inc.
NAPCO Drive
P.O. Box 26
Terryville, Connecticut 06786

Metallurgical Services Division
Develops and manufactures medical prosthetic devices and fabricate high performance metal alloy components.

SCAT Division
2829 East Washington Boulevard
Los Angeles, California 90023

Metal Treating Division
1575 West Pierce Street
Milwaukee, Wisconsin 52304

Cal-Doran Division
2830 East Washington Boulevard
Los Angeles, California 90023

TEMS Division
411 Jackson Hill Street
Houston, Texas 77007

Perfection Heat Treating Division
24200 Plymouth Road
Detroit, Michigan 48239

Metallurgical, Inc.
900 East Hennepin Avenue
Minneapolis, Minnesota 55414

Metals Division
115 Eames Street
Wilmington, Massachusetts 01887

R & D New Business Division
45 First Avenue
P.O. Box 02264
Waltham, Massachusetts 02254

National Nuclear Corporation
Manufacturer of highly sensitive devices for monitoring the presence of low-level radioactive materials.

LDC
Riviera Beach, Florida
Manufactures and sells liquid and chromatography analytical instruments.

Acquisition:

F & M. Lamort S.A.
A French manufacturer of equipment used in paper making and paper recycling.

Transfer Agent(s):

The First National Bank of Boston
Capital Markets Technologies/Shareholder Services
P.O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York

Ticker Symbol: TMO

Sales & Earnings x

	Revenues	Net Income
12/29/90	$ 708,000,000	$ 33,900,000
12/30/89	615,300,000	26,200,000
12/31/88	535,100,000	22,600,000
1/2/88	415,900,000	20,700,000
1/3/87	355,800,000	12,600,000

	No. of Com. Shares *	Earn. per Share *
12/29/90	20,500,000	$ 1.65
12/30/89	19,700,000	1.33
12/31/88	19,000,000	1.19
1/2/88	19,500,000	1.06
1/3/87	18,700,000	0.84

x Restated to included operations of F & M. Lamort S.A., acquired on a pooling of interests basis.
* Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	12/29/90	12/30/89
Instruments	$ 228,428	$ 128,124
Cogeneration systems	157,640	201,863
Process equipment	175,022	146,951
Biomedical prods	28,160	23,484
Services	101,972	99,164
Thermo technologies	18,836	21,313
Interseg. eliminations	(2,100)	(5,576)
Total	$ 707,958	$ 615,323

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/29/90	—	—	—
12/30/89	—	—	—
12/31/88	—	—	—
1/2/88	—	—	—
1/3/87	—	—	3-for-2

Common Stock Equity x

	Total Equity	Equity Per Share *
12/29/90	$ 307,200,000	$ 14.99
12/30/89	224,500,000	11.40
12/31/88	192,800,000	10.15
1/2/88	172,400,000	8.84
1/3/87	152,200,000	8.14

x Restated.
* Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/29/90	12/30/89‡
Revenues		
Prod. sales & revenues	$ 576,542	$ 487,686
Service revenues	101,972	96,702
R & D contracts	29,444	30,935
Total revenues	$ 707,958	$ 615,323
Cost of revenues	461,094	421,298
Expenses	210,640	172,224
Restruc. costs	664	2,175
Royalty income	(1,849)	(2,268)
Interest income	(13,314)	(13,739)
Interest expense	13,891	12,126
Gain on issu. of subsid. stock	(20,337)	(16,785)
Eq. in loss-unconsol. subsid.	1,827	3,263
Other income	(2,798)	(2,763)
Income before taxes	$ 58,140	$ 39,792
Income taxes	17,125	10,284
Minority interest	7,144	3,315
Net Income	$ 33,871	$ 26,193

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $18,775,000 in 1990 and $13,494,000 in 1989.

Assets
(000's)

As of	12/29/90	12/30/89‡
Cash & cash equiv.	$ 117,852	$ 95,890
Short-term invest.	60,382	116,422
Accts. receiv., net	144,593	112,068
Unbilled contract costs & fees	32,812	33,333
*Inventories	121,031	80,712
Prepaid expenses	17,544	6,592
Current Assets	$ 494,214	$ 445,017
‡Fixed assets	189,650	81,723
Other assets	87,114	64,424
Cost in exc. of assets acq.	127,237	68,271
Total Assets	$ 898,215	$ 659,435

Liabilities
(000's)

Notes payable	$ 6,804	$ 27,937
Accts. payable	66,428	55,358
Billings in exc. of contract costs	16,942	14,013
Accrued payroll	34,373	22,886
Accrued inc. taxes	10,883	730
Other accruals	118,087	48,498
Curr. Liabilities	$ 253,517	$ 169,422

Long-term debt	210,014	176,378
Deferred inc. taxes	4,208	3,085
Other deferred items	30,591	21,104
Minority interest	83,915	51,839
Redeem. subsid. common stock	8,724	13,102
+Common stock	21,040	19,690
Add. paid-in capital	111,037	72,603
Retained earnings	173,722	141,016
Treasury stock	(1,288)	(1,556)
Cum. trans. adjust	9,381	103
Deferred comp	(6,646)	(7,351)
Total Liabilities & Shareholders' Equity	$ 898,215	$ 659,435

‡ Restated.
* At lower of cost (FIFO or weighted average) or market.
≠ Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes Revenues	8.21	6.47
% Net Income to Revenues	4.78	4.26
% Net Income to Equity	11.02	11.67
Debt to Equity	0.71	0.91
Working Capital	$ 240,697,000	$ 275,595,000
Current Ratio	1.95	2.63
Shareholders' Equity	$ 307,246,000	$ 224,505,000

Thermo Process Systems Inc.

(a 75%-owned subsidiary of Thermo Electron Corporation)

12068 Market Street
Livonia, Michigan 48150
(313) 591-1000

101 First Avenue
Waltham, Massachusetts 02254
(617) 622-1111

Officers: Walter J. Bornhorst, chief exec. officer; Thomas P. Plunkett, president; Rudolph T. Ortiz, sr. v.p.; Joseph J. Mirisola, sr. v.p.-administration & finance; B. Richard Copley, v.p.; John N. Hatsopoulos, v.p. & chief financial officer; Paul F. Kelleher, controller & chief acctng. officer; Theo Melas-Kyriazi, treasurer; Paul F. Ferrari, secretary.

Directors: Walter J. Bornhorst, chairman; George N. Hatsopoulos, John N. Hatsopoulos, Donald E. Noble, Warren M. Rohsenow.

Areas of Work: The business of the Company encompasses the design, manufacture, and sale of advanced custom-engineered systems for the thermal treatment of hazardous wastes and the automated thermal processing of metal parts. The Company also provides services for on-site remediation of hazardous wastes and for a range of specialized metallurgical processes.

Subsidiaries:

TPS Technolgies Inc.
Manufactures and operates mobile thermal systems that remediate soil contaminated by petroleum.

Transfer Agent(s):

American Stock Transfer & Trust Company
Shareholder Services Department
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: TPI

Number of Employees

1990	519

Plant Footage

1990	375,000 sq. ft.

Sales & Earnings

	Revenues	Net Income
1990	$ 51,003,000	$ 2,326,000
1989	43,444,000	1,818,000
1988	31,114,000	560,000
1987	22,334,000	451,000
1986	24,377,000	210,000

	No. of Com. Shares +	Earn. per Share +
1990	15,467,000	$ 0.15
1989	13,330,000	0.14
1988	11,969,000	0.05
1987	N.A.	0.07

N.A. - Not Available.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1990	1989
Process systems	$ 29,340,000	$ 27,403,000
Services	21,663,000	16,041,000
Total	$ 51,003,000	$ 43,444,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	3-for-2
1989	—	—	6-for-5
1988	—	—	6-for-5

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 38,078,000	$ 2.46
1989	24,497,000	1.84
1988	20,890,000	1.75
1987	17,615,000	—

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Mar. 31	1990	1989
Revenues		
Product revenues	$ 29,340	$ 27,430
Service revenues	21,663	16,041
Total revenues	$ 51,003	$ 43,444
Cost of revenues	38,274	33,383
Sell., gen., & adm. exp.	7,500	6,115
Prod. develop. exp.	2,101	1,146
Other income	(33)	(280)
Interest expense	1,595	—
Interest income	(2,480)	(225)
Income before taxes	$ 4,046	$ 3,305
Income taxes	1,720	1,487
Net Income	$ 2,326	$ 1,818

* Included in Costs and Expenses, Depreciation and Amortization: $1,531,000 in 1990 and $1,239,000 in 1989.

Assets
(000's)

As of Mar. 31	1990	1989
Cash & cash equiv.	$ 36,072	$ 4,321
Accts. receiv., net	6,040	5,372
Unbilled contr. costs & fees	10,691	5,447
*Inventories	1,927	2,639
Prepaid expenses	657	656
Prepaid inc. taxes	453	55
Due from parent co.	71	—
Current Assets	$ 55,911	$ 18,490
≠Fixed assets	11,309	6,664
Other assets	3,002	2,565
Cost in exc. of assets acq.	9,247	9,057
Total Assets	$ 79,469	$ 36,776

Liabilities
(000's)

Accts. payable	$ 3,053	$ 2,645
Accrued contract costs	3,434	2,751
Accrued payroll	2,074	1,620
Other accruals	2,565	1,849
Accrued & def. inc. taxes	1,040	1,207
Due to parent co.	—	803
Current Liabilities	$ 12,166	$ 10,875
Deferred inc. taxes	1,290	1,404
6-1/2% convert. subord. deben.	27,935	—
+Common stock	1,569	961
Add. paid-in capital	32,175	21,282
Retained earnings	5,041	2,715
Treasury stock	(784)	(450)
Cum. trans. adjust	77	(11)
Total Liabilities & Shareholders' Equity	$ 79,469	$ 36,776

* At lower of cost (average) or market.
≠ Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Revenues	7.93	7.61
% Net Income to Revenues	4.56	4.18
% Net Income to Equity	6.11	7.42
Debt to Equity	0.73	0.03
Working Capital	$ 43,745,000	$ 7,615,000
Current Ratio	4.60	1.70
Shareholders Equity	$ 38,078,000	$ 24,497,000

Thiokol Corporation

(formerly Morton Thiokol, Inc.)

2475 Washington Blvd.
Ogden, Utah 84401
(801) 629-2270
FAX: (801) 629-2420

Officers: Robert T. Marsh, chairman of the board; William W. Brandt, v.p.-strategic operations; U. Edwin Garrison, president & chief executive officer; Robert E. Lindstrom, v.p.-space operations; Luther C. Johnson, v.p.-Tactical operations; Philip R. Dykstra, v.p.-strategic planning; R. Robert Harris, v.p. & general counsel; Royce W. Searle, v.p. & controller; James R. Wilson, v.p. & chief financial officer; Edwin N. North, secretary; James F. McNulty, v.p.-human resources; Samuel E. George, treasurer.

Directors: Charles S. Locke, chairman of the board; Neil A. Armstrong, U. Edwin Garrison, Jon M. Huntsman, Robert T. Marsh, Eberhardt Rechtin, Barry J. Shillito, Joseph A. Rice, Harry H. Wetzel.

Areas of Work: Manufacturer and marketer of high technology solid propulsion systems, ordnance and composite products for space and defense. The company operates in four markets: space, strategic, tactical and ordnance. Space operations produces the solid rocket motor for the Space Shuttle. The strategic operations designs, develops and manufactures rocket motors, stage hardware and ordnance

Thiokol Corporation

systems. Products for the Tactical market include rocket motors for surface-to-air, air-to-surface, air-to-air and anti-ship missiles. Tactical produces 11 solid rocket motors ranging in diameter from five inches to nearly 20 inches. Ordnance operations manages two U.S. Army ammunition plants located in Louisiana and Texas. The Louisiana Army Ammunition plant produces metal components for artillery shells and loads, assembles and packs out several types of munitions including Claymore mines, Harpoon antiship missile warheads and a mine clearing device. The Texas Army Ammunition plant produces large caliber battlefield illuminating munitions, infrared flares used to decoy heat-seeking missiles targeted for combat aircraft. The Company operates in three business segments: aerospace, specialty chemicals, and salt.

Aerospace Divisions and Subsidiaries:

Thiokol Group
2475 Washington Boulevard
Ogden, Utah 84401

Elkton Division
P.O. Box 241
Elkton, Maryland 21921-0241

Huntsville Division
P.O. Box 400006
Huntsville, Alabama 35815-1506

Longhorn Division
P.O. Box 1149
Marshall, Texas 75671

Louisiana Division
P.O. Box 30058
Shreveport, Louisiana 71130

Omneco, Inc.
961 Fairview Drive
Carson City, Nevada 89701

Space Operations
P.O. Box 707
Brigham City, Utah 84302-0707

Strategic Operations
P.O. Box 689
Brigham City, Utah 84302-0689

Utah Tactical Division
P.O. Box 487
Brigham City, Utah 84302-0487

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Midwest

Ticker Symbol: TKC

Number of Employees:

1990	11,500	1987	11,900
1989	12,100	1986	10,200
1988	12,600		

Sales & Earnings

	Net Sales	Net Income
1990	$ 1,181,400,000	$ 41,400,000
1989	1,167,800,000	17,700,000
1988	1,068,100,000	32,700,000
1987	893,400,000	33,000,000
1986	926,600,000	43,100,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	19,277,000	$ 2.15
1989	19,157,000	0.92
1988	19,141,000	1.71
1987	19,058,000	1.73
1986	18,969,000	2.27

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.30	—	—
1989	2.24	—	2-for-5
1988	2.03	—	—
1987	1.85	—	—
1986	1.70	—	—

+ Adjusted to reflect reverse stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 274,000,000	$ 14.26
1989	237,800,000	12.41
1988	275,200,000	14.46
1987	263,200,000	13.92
1986	297,100,000	15.74

‡ Adjusted to reflect reverse stock split.

Income Account *
(000's)

Year ended	1990	1989
Net sales	$ 1,181,400	$ 1,167,800
Other income	10,200	1,800
Total income	$ 1,191,600	$ 1,169,600
Cost of sales	1,055,600	1,056,900
Expenses	43,000	34,700
Interest expense	24,800	21,400
Reorganization charges	—	18,900
Income before taxes	$ 68,200	$ 37,700
Income taxes	26,800	20,000
Net Income	$ 41,400	$ 17,700

* Included in Costs and Expenses, Depreciation and Amortization: $42,700,000 in 1990 and $43,600,000 in 1989.

Assets
(000's)

As of June 30	1990	1989
Cash & cash equiv.	$ 113,000	$ 15,000
Receivables	254,100	226,500
Refund inc. taxes	1,100	14,600
*Inventories	93,800	120,700
Prepaid expenses	5,500	900
Current Assets	$ 467,500	$ 377,700
≠Fixed assets	272,000	275,000
Costs in exc. of assets acq.	61,500	63,500
Other assets	15,200	12,900
Total Assets	$ 816,200	$ 729,100

Liabilities
(000's)

Accts. payable	$ 67,100	$ 44,600
Accrued payroll	35,100	30,900
Other accruals	32,000	28,500
Income taxes	16,200	15,500
Curr. Liabilities	$ 150,400	$ 119,500
Long-term debt	220,000	220,000
Deferred inc. taxes	126,500	110,400
Other liabilities	45,300	41,400
+ Common stock	20,500	20,500
Add. paid-in capital	105,600	108,300
Retained earnings	223,200	187,500
Treasury stock	(75,300)	(78,500)
Total Liabilities & Shareholders' Equity	$ 816,200	$ 729,100

* At lower of cost or market
≠ Less accumulated depreciation
+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	5.77	3.23
% Net Income to Sales	3.50	1.52
% Net Income to Equity	15.11	7.44
Sales to Inventories	12.59	9.68
Debt to Equity	0.80	0.93
Working Capital	$ 317,100,000	$ 258,200,000
Current Ratio	3.11	3.16
Shareholders' Equity	$ 274,000,000	$ 237,800,000

Thomas & Betts Corporation

1001 Frontier Road
Bridgewater, New Jersey 08807-0993
(201) 685-1600
FAX: (201) 707-2704

Officers: J. David Parkinson, chairman of the board; T. Kevin Dunnigan, president & chief executive officer; Ronald P. Babcock, v.p.-finance; Robert V. Berry, sr. v.p.; James D. Hay, v.p. & general counsel; Dominique Girault, pres.-european division; John F. Walsh, v.p.-human resources; David M. Hunihan, v.p.-administration; Michael J. McBride, pres.-electrical division; James D. Oberlender, corp. v.p.-marketing; Dominic J. Pileggi, pres.-electronics division; Reijo E. Salo, pres.-pacific division; J. W. Kearny Hibbard, treasurer; Janice H. Way, secretary.

Directors: J. David Parkinson, chairman; Ian M. Ross, William R. Hartman, Raymond B. Carey, Jr., Peter Cartmell, Hobart Betts, T. Kevin Dunnigan, Norma Maine Loeser, William H. Waltrip, William C. Hittinger, Robert H. McCaffrey, Ernest H. Drew.

Areas of Work: Engaged in the manufacture and marketing of connectors and accessory products for the electrical-electronic industry. Products include fittings and accessories for electrical raceways; crimp and mechanical connectors for small wires and power cables; wire fastening devices and markers; insulation products; fiber optic connectors; networking interconnection systems for voice and data communications; ceramic chip capacitors; and automotive interconnects. Engaged in the manufacture and marketing of connectors and accessory products for the electrical-electronic industry. Products include fittings and accessories for electrical raceways; crimp and mechanical connectors for small wires and power cables; wire fastening devices and markers; insulation products; fiber optic connectors; networking interconnection systems for voice and data communications; ceramic chip capacitors, flat cables, connectors, and accessories for electronic applications.

Divisions and Subsidiaries:

T&B Construction & Industrial Marketing
1001 Frontier Road
Bridgewater, New Jersey 08807
(201) 685-1600

Thomas & Betts France, S.A.
57, Place de la Seine
Silic 120
94513 Rungis Cedex, France

Thomas & Betts GmbH
6072 Dreieich
Siemenstrasse 11, West Germany

Thomas & Betts S.p.A.
Via Archimede 19
Angolo P. de Labriola
20092 Cinisello Balsamo (Mi), Italy

Thomas & Betts International, Inc.
Sedgwick Road
Luton LU4 9DT
Bedfordshire, England

Thomas & Betts Limited
Thomas & Betts Manufacturing, Ltd.
P.O. Box 30
700 Thomas Boulevard
Iberville, Quebec J2X 2M9, Canada

Thomas & Betts Pty. Limited
11 Inman Road, Dee Why West
N.S.W. P.O. Box 91
Brookvale 2100 N.S.W., Australia

T&B/Ansley Corporation
35 Elizabeth Avenue
Somerset, New Jersey

T&B Japan Ltd.
No. 32 Kowa Bldg.
2-32 Minami Azabu
Minato-Ku, Tokyo 106, Japan

Doylestown Manufacturing Corporation
Old Easton Road
Doylestown, Pennsylvania

Thomas & Betts Aktiebolag
Kanalvagen 1
S19461 Upplands Vasby, Sweden

Thomas & Betts de Mexico, S.A. de CV
Alberto J. Pani 165, Cto. Economistas
Cd. Satellite
Edo de Mexico, Mexico

Thomas & Betts Limited
Thomas & Betts Manufacturing Limited
England

Thomas & Betts (S.E. Asia) Pte. Ltd.
Unit 105, First Floor
Cideco Industrial Complex, 50 Genting Lane 1334
Singapore

Thomas & Betts Spain
Pallars, 65-71
Barcelona 18, Spain

Ouest Electronic Connecteurs
1 Place Honore de Balzac
Tour du Moulin Sarrazin 1
B.P. 38
95102 Argenteuil, Cedex, France

Excel Products Company
New Brunswick, New Jersey
Manufactures logic packaging panels, DIP Sockets, and back plane wiring components and systems.

Quelcor, Inc.
P.O. Box 33
Media, Pennsylvania 19063
Flame retardant products.

Vitramon, Incorporated
Route 25
Monroe, Connecticut 06468
(203) 268-6261
Manufactures monolithic ceramic capacitors for the electronics industry.

Nevada Western Supply Inc.
Commercial voice and data wiring systems.

EuraContact
West Germany
Manufactures two-piece connectors used in a wide range of electronic devices.

Holmberg Electronics Corporation
Inman, South Carolina
Manufacturer of electronic connectors.

Transfer Agent(s):

First Chicago Trust Company of New York
P.O. Box 3905
New York, New York 10008-3905

Stock Exchange(s): New York

Ticker Symbol: TNB

Number of Employees:

1990	4,900	1987	4,200
1989	5,000	1986	3,200
1988	4,700		

Plant Footage:

1990	2,051,000 sq. ft	1988	1,763,000
1989	2,049,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 599,031,000	$ 48,400,000
1989	544,083,000	53,735,000
1988	514,634,000	58,650,000
1987	436,463,000	48,500,000
1986	385,801,000	40,215,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	17,030,000	$ 2.84
1989	16,998,000	3.16
1988	16,953,000	3.46
1987	16,865,000	2.88
1986	16,747,000	2.40

‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 2.09	—	—
1989	1.96	—	—
1988	1.80	—	—
1987	1.64	—	—
1986	1.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 350,590,000	$ 20.62
1989	335,534,000	19.72
1988	314,819,000	18.57
1987	288,577,000	17.07
1986	257,627,000	15.34

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 599,031	$ 544,083
Cost of sales	348,960	308,695
Expenses		
Mktng., gen., & adm.	136,913	130,905
Res. & develop.	18,543	18,350
Prov. for restruc. oper.	9,000	—
Other expense	11,240	7,208
Income before taxes	$ 74,375	$ 78,925
Income taxes	25,975	25,190
Net Income	$ 48,400	$ 53,735

* Included in Costs and Expenses, Depreciation and Amortization: $34,888,000 in 1990 and $28,633,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 40,828	$ 57,027
Marketable securities	48,749	40,883
Accts. receiv., net	94,418	86,685
*Inventories	136,228	133,331
Deferred in. taxes	10,564	8,994
Prepaid expenses	6,349	4,716
Current Assets	$ 337,136	$ 331,636
≠Fixed assets	206,283	188,747
Intangibles	30,165	33,642
Other assets	11,943	10,284
Total Assets	$ 585,527	$ 564,309

Liabilities
(000's)

Short-term borrowings	$ 48,585	$ 86,448
Long-term debt, curr.	26,203	960
Accts. payable	29,793	24,559
Accruals	40,506	25,060
Income taxes	13,005	13,360
Dividends payable	9,011	8,508
Curr. Liabilities	$ 167,103	$ 158,895
Long-term debt	48,763	57,579
Deferred inc. taxes	9,209	7,944
Other liabilities	9,862	4,357
+Common stock	8,546	8,542
Add. paid-in capital	24,936	25,735
Retained earnings	314,561	301,762
For. curr. translation adjustment	6,749	2,526
Treasury stock	(4,202)	(3,031)
Total Liabilities & Shareholders' Equity	$ 585,527	$ 564,309

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	12.42	14.51
% Net Income to Sales	8.08	9.88
% Net Income to Equity	13.81	16.01
Sales to Inventories	4.40	4.08
Debt to Equity	0.35	0.43
Working Capital	$ 170,033,000	$ 172,741,000
Current Ratio	2.02	2.09
Shareholders' Equity	$ 350,590,000	$ 335,534,000

Thomas French & Sons PLC

Sharston Road
Wythenshawe
Manchester M22 4TH, England
061-998 1811

Officers: T. J. French, chairman; H. R. J. Griffith, managing director; J. Slater, finance; P. J. Collins, managing director-Rufflette/InHome; G. N. Elliott, (non-executive); P. E. J. Held, (non-executive).

Areas of Work: The principal activities of the Company are the manufacture and sale of curtain styling products, together with products for the home improvement market; and the manufacture and sale of specialized electrical heating equipment and cables.

Subsidiaries (U.K.):

Rufflette Limited
Wythenshawe, Manchester

Rufflette (Export) Limited
Wythenshawe, Manchester

InHome Limited
Wythenshawe, Manchester

Curtain Styling Limited
Bury, Lancs

Thomas French Limited
Wythenshawe, Manchester

RegaLead Limited
Wythenshawe, Manchester

Peerage Brassware Limited
Witton, Birmingham

Kaz Krafts Limited
Sutton-in-Ashfield, Notts

St. Aidans Pottery Limited
Tunstall, Staffs

LanBar Limited
Wythenshawe, Manchester

Subsidiaries (outside U.K.):

Rufflette France S A R L
Verrieres Le Buisson
Paris, France

Rufflette Belgium S A
Brussels, Belgium

Peerage Pty Limited
Sydney, Australia

Thomas French and Sons (N Z) Limited
Auckland, New Zealand

Associated Companies:

Thomas French (Nigeria) Limited
(40% interest)
Lagos, Nigeria

Manufactures and distributes curtain styling and narrow fabric products

Registrars:

Barclays Registrars Ltd

Stock Exchange(s): London

Sales & Earnings

	Net Sales	Net Income †
1990	£ 18,485,000	£ 224,000
1989	21,178,000	1,335,000
1988	23,923,000	746,000
1987*	27,246,000	408,000
1986	26,225,000	373,000

	No. of Com Shares ‡	Earn per Share † ‡
1990	11,634,242	1.93p
1989	11,628,634	11.48
1988	11,626,036	6.42
1987*	11,625,259	5.60
1986	11,294,000	2.98

* 53 weeks
£ - pound sterling
† Before minority interest and extraordinary items.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	3.6p	—	—
1989	3.6	—	—
1988	3.0	—	—
1987	2.9	—	—
1986	2.9	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	£ 6,210,000	53p
1989	5,781,000	0p
1988	7,557,000	65
1987	5,502,000	47
1986	5,201,000	45

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1990	1989
Net sales	£ 18,485,000	£ 21,178,000
Cost of sales	10,793,000	12,363,000
Distribution costs	2,509,000	2,652,000
Adm. expenses	4,423,000	4,283,000
Oper. income	(60,000)	(60,000)
Interest expense	547,000	476,000
Interest income	(95,000)	(477,000)
Share of profits of assoc. cos.	—	(12,000)
Exceptional item	—	(87,000)
Income before taxes	£ 368,000	£ 2,040,000
Income taxes	144,000	705,000
Net Income	£ 224,000	£ 1,335,000
Extraord. items	800,000	(274,000)
Net Income & extraord. items	£ 1,024,000	£ 1,061,000

* Included in Costs and Expenses. Depreciation: £ 546,000 in 1990 and £ 508,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	£ 744,000	£ 792,000
Accts. receiv., net	5,699,000	4,518,000
* Inventories	2,405,000	2,636,000
Current Assets	£ 8,848,000	£ 7,946,000
Investments	716,000	716,000
# Fixed assets	5,185,000	4,920,000
Total Assets	£ 14,749,000	£ 13,582,000

Liabilities

	1990	1989
Long-term debt, curr.	£ 2,293,000	£ 429,000
Accts. payable	1,666,000	1,681,000
Other payables	653,000	739,000
Income taxes	235,000	869,000
Other taxes	265,000	389,000
Accruals	728,000	959,000
Proposed dividend	254,000	254,000
Curr. Liabilities	£ 6,094,000	£ 5,320,000
Long-term debt	700,000	900,000
Other loans	1,513,000	1,513,000
Deferred inc. taxes	232,000	68,000
+ Common stock	1,164,000	1,163,000
Revaluation reserve	1,009,000	1,009,000
Other reserves	80,000	78,000
Profit and loss acct.	6,151,000	5,931,000
Goodwill reserve	(2,194,000)	(2,400,000)
Total Liabilities & Shareholders' Equity	£ 14,749,000	£ 13,582,000

* At lower of cost or estimated net realizable value.
# Less accumulated depreciation.
+ 10p par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	1.99	9.63
% Net Income to Sales	1.21	6.30
% Net Income to Equity	3.61	23.09
Sales to Inventories	7.69	8.03
Debt to Equity	0.73	0.49
Working Capital	$ 2,754,000	£ 2,626,000
Current Ratio	1.45	1.49
Shareholders' Equity	£ 6,210,000	£ 5,781,000

THORN EMI plc

4 Tenterden Street
Hanover Square
London W1A 2AY England
01-355 4848

Directors: Colin Southgate, chairman & chief executive; James Fifield, president & chief executice officer-EMI Music Worldwide; James Maxmin, chairman & chief executive-Home Electronics, Michael Metcalf, finance director; Sir Ian Trethowan, non-executive; Sir Michael Angus, non-executive; Sir Graham Day, non-executive; Sir Peter Walters, non-executive; DAvid Barnes, non-executive.

Corporate Management: R. Charlton, company secretary; S.J. Pandit, dir. Corp. development; K. W. Gray, technical; Colin Woodley, corp. communications; D. R. W. Young, personnel & organization development; B. T. Burford, purchasing; G. J. Cant, estates; K. W. Flack, insurance; R. A. A. Hurst, legal & patents; Charlotte Chambers, management development & training; G. G. Roberts, dir.-research; S. R. Bates, dir. central research labs.

Areas of Work: The Company's operations cover: Rental and Retail Music, Lighting, software and security.

Rental and Retail activities include the operation of Radio Rentals, all consumer electronics And other retail chains doing business in the U.K.; the Company also operates Rumbelows, a consumer electronics and appliance retail chain doing business in the U.K. under the Rumbelows and Hometech names. Overseas operations include THORN EMI International Rentals (which operates consumer electronics rental stores in 15 countries); FONA electronic retail stores and HMV music retailing outlets, which operate primarily in the U.K. and seven other countries.

The Company's Technology Group focuses on five major high-technology markets -- defense electronics, software, security. Principal products include radar integration systems, advanced ticket issuing systems, hand-held thermal imagers, man-portable surveillance and target-acquisition radar, data distribution systems for naval vessels, mortar location radar, electronic countermeasures systems, aircraft early warning radar, aircraft engine fire detection systems, fuzes for air-launched missiles, artillery shells, klystron tubes low light level sensing devices, fire and security protection equipment, information technology systems facility management and software for executive information systems, railway power conversion and industrial drive controls.

Music operations include the production of recorded music, music publishing, music videos, and the manufacture of compact discs.

Lighting products include high-pressure sodium lamps and fittings, incandescent and fluorescent lamps, miniature low-voltage tungsten halogen products for display markets, among others.

Divisions and Subsidiaries:

RENTAL AND RETAIL

THORN Home Electronics International Ltd.
Thorn EMI UK rental Ltd.
Rent-A-Center, Inc. (U.S.A.)
Radio Rentals Division
Radio Rentals Pty. Ltd. (Australia)
FONA A/S (Denmark)
HMV Group Ltd.
THORN EMI Financial Services plc
Trinity House Finance plc
Thorn High Street Properties Ltd.
THORN EMI Television Rentals Ltd.
THORN EMI Hyr TV AB (Sweden)
Visea Television S.A. (France)

TECHNOLOGY

THORN EMI Technology Ltd.
THORN EMI Software Ltd.
Thorn Security Limited
Systron Donner Corp.
THORN EMI Electronics Ltd.

MUSIC

EMI Music Ltd.
Capitol-EMI Music Inc. (USA)
Pathe Marconi EMI SA (France)
EMI Italiana SpA (Italy)
EMI Electrola GmbH (Germany)
EMI Music Publishing Ltd.
EMI Records Ltd.
EMI Entertainment World, Inc.

CONSUMER AND COMMERCIAL

THORN Lighting Ltd.

Sivi Illuminazione SpA (Italy) (51%-owned)
Holophane S.A. (France)
Associated Lighting Industries Division (Australia)
Europhane S.A.
THORN Licht GmbH (Germany)
Jarnkonst AB (Sweden)

Associate Companies:

Thames Television PLC
(27.9% interest)
England

Toshiba-EMI Ltd.
(50% interest)
Japan

Babcock-Thorn Ltd.
(35.0% interest)

Chrysalis Records Ltd.
(50.0% interest)

Terwright Records Inc.
(50.0% interest)

SBK Records
(50.0% interest)

Registrars:

National Westminster Bank PLC
Registrar's Dept.
37 Broad Street
Bristol BS99 7NH, England

Stock Exchange(s): London

Number of Employees:

1990	61,124	1987	74,321
1989	65,000	1986	85,700
1988	66,630		

Sales & Earnings

	Net Sales +	Net Income †
1990	£3,715,500,000	£ 202,700,000
1989	3,290,600,000	182,400,000
1988	3,054,000,000	137,500,000
1987	3,203,200,000	99,600,000
1986	3,316,500,000	61,400,000

	No. of Com. Shares—	Earn. per Share † ‡
1990	289,618,153	70.8p
1989	278,605,245	64.2
1988	276,079,767	53.1
1987	217,666,115	43.9
1986	215,431,869	26.5

£ - pound sterling.
+ Of continuing operations only.
† Before extraordinary items.
‡ Based on the weighted average number of common shars and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Rental & retail	£ 1,480,800	£ 1,330,600
Technology	599,900	540,700
Music	1,028,000	765,900
Lighting	573,400	461,300
Discont. oper.	33,400	192,100
Total	£ 3,715,500	£ 3,290,600

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	30.0p	—	—
1989	27.0	—	—
1988	22.0	—	—
1987	18.5	—	—
1986	17.5	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1990	£ 619,100,000	213.8p
1989	529,400,000	190.0
1988	580,800,000	210.4
1987	566,100,000	260.1
1986	516,700,000	239.8

‡ After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Mar. 31	1990	1989
Net sales	£ 3,715,500	£ 3,290,600
Cost of sales	3,021,600	2,694,900
Distribution costs	158,800	128,500
Adm. expenses	278,600	242,600
Oper. income	(88,200)	(72,000)
Share of profits of rel. cos.	(20,600)	(23,300)
Finance charges	47,800	30,800
Income before taxes	£ 317,500	£ 289,100
Income taxes	98,800	96,100
Minority interests	16,000	10,600
Net Income	£ 202,700	£ 182,400
Extraord. items	30,900	(8,800)
Net Income & extraord. items	£ 233,600	£ 173,600

* Included in Costs and Expenses, Depreciation: £ 355,200,000 in 1990 and £ 334,900,000 in 1989.

Assets
(000's)

As of Mar. 31	1990	1989
Cash	£ 83,600	£ 72,600
Investments	45,300	38,000
Accts. receiv., net	693,700	562,100
*Inventories	363,500	359,900
Current Assets	£ 1,186,100	£ 1,032,600
Investments	109,600	97,300
Net assets of fin. subsid.	19,200	27,100
#Fixed assets	1,126,300	1,085,400
Music publish. copyrights	216,800	—
Total Assets	£ 2,658,000	£ 2,242,400

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	£ 125,600	£ 175,800
Accts. payable	376,300	322,300
Other payables	146,900	139,100
Customer deposits	67,200	72,200
Royalties & fees payable	217,900	134,500
Amts. owed to rel. cos.	3,800	1,400
Accruals	100,600	91,900
Income taxes	91,200	68,500
Other taxes	64,000	58,700
Dividends	62,700	55,500
Payments receiv. on acct.	7,300	—
Curr. Liabilities	£ 1,263,500	£ 1,119,900
Long-term debt	319,400	101,600
Other payables	16,200	26,400
Minority interest	232,800	229,100
Deferred inc. taxes	36,200	34,800
Other liabilities	146,600	140,600
+7% preferred stock	24,200	60,600
++Common stock	72,400	69,600
Add. paid-in capital	55,600	15,900
Other reserves	646,100	675,700
Goodwill	(653,600)	(585,000)
Profit and loss acct.	498,600	353,200
Total Liabilities & Shareholders' Equity	£ 2,658,000	$ 2,242,400

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 7% convertible redeemable cumulative.
++ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	8.55	8.79
%Net Income to Sales	5.46	5.54
%Net Income to Equity	31.51	30.92
Sales to Inventories	10.22	9.14
Debt to Equity	0.69	0.47
Shareholders' Equity	£ 643,300,000	£ 590,000,000

3Com Corporation

5400 Bayfront Plaza
Santa Clara, California 95052-8145
(408) 764-5000
FAX: (408) 764-5001

Officers: L. William Krause, chairman & chief executive officer; Eric A. Benhamou, president & chief operating officer; Debra J. Engel, v.p.-corp. services; Andrew W. Verhalen, v.p. & gen. mgr.-transmission systems division; Christopher B. Paisley, v.p.-finance & chief financial officer; Eugene K. Buechele, v.p. & gen. mgr.-management, messaging & connectivity div.; Leslie G. Denend, exec. v.p.-product operations; Ralph B. Godfrey, v.p.-3Com USA; Richard W. Joyce, v.p.-3Com Europe; Alain Tingaud, v.p.-3Com Europe; Cindy M. Hawkins, corporate controller; Alan J. Kessler, v.p. & gen. mgr.-distributed systems division; Robert J. Finocchio, Jr., exec. v.p.-field operations; Mark D. Michael, general counsel & secretary; Wesley Raffel, v.p.-intercontinental operations; Ronald A. Sege, v.p.-customer svcs. organization; Thomas L. Steding, v.p. & gen. mgr.-enterprise systems div.

Directors: L. William Krause, chairman; James L. Barksdale, Burton S. Goldberg, Eric A. Benhamou, Stephen C. Johnson, Jack L. Melchor, William F. Zuendt.

Areas of Work: Designs, manufactures, markets and supports workgroup computing systems for network-based, graphics-intensive applications.

Subsidiaries:

3Com Canada
Markham, Ontario, Canada
(416) 477-3003

3Com France
Les Ulis, France
33(1) 69866800

3Com (UK) Ltd.
Marlow-On-Thames
Buckinghamshire, England
44 628890670

3Com Italia
Milano, Italia
39 (2) 2549741

3Com Nordic
Stockholm, Sweden
46 (8) 7034870

3Com Europe
Les Ulis, France
33(1)69071693

3Com GmbH
Munich, West Germany
(49)8967821100

3Com Australia
North Sydney, New South Wales, Australia
612 9593020

3Com Asia Ltd.
Hong Kong
852 5 290 356

Transfer Agent(s):

Bank of America
Corporate Agency Service Center
Box 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

3Com Corporation

Ticker Symbol: COMS (NASDAQ)

Number of Employees:

1990	1,949	1987	552
1989	1,922	1986	372
1988	1,348		

Plant Footage:

1990	1,101,000 sq. ft.	1988	N. A.
1989	1,113,000	1987	165,000

N. A. - Not Available

Sales & Earnings

	Net Sales	Net Income
1990	$ 419,086,000	$ 20,499,000
1989	385,857,000	34,310,000
1988	251,948,000	22,547,000
1987	155,856,000	16,211,000
1986	93,955,000	10,952,000

	No. of Com Shares	Earn. per Share ‡
1990	29,106,000	$ 0.71
1989	28,587,000	1.18
1988	27,530,000	0.79
1987	26,873,000	0.61
1986	25,163,000	0.44

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 232,347,000	$ 7.98
1989	205,821,000	7.20
1988	156,841,000	5.70
1987	122,736,000	4.57
1986	73,661,000	2.93

Income Account *
(000's)

Year ended May 31	1990	1989
Net sales	$ 419,086	$ 385,857
Cost of sales	216,877	186,795
Expenses		
Sales & marketing	101,681	89,825
Res. & develop.	43,669	38,377
Gen. & adm.	20,077	16,844
Corp. relocation charge	2,500	—
Other expense (income)	1,483	(226)
Income before taxes	$ 32,799	$ 54,242
Income taxes	12,300	19,932
Net Income	$ 20,499	$ 34,310

* Included in Costs and Expenses, Depreciation and Amortization: $22,521,000 in 1990 and $16,737,000 in 1989.

Assets
(000's)

As of May 31	1990	1989
Cash & cash equivs	$ 17,741	$ 14,192
Temporary cash invest.	68,933	28,937
Accts. receiv., net	76,969	73,537
*Inventories	45,834	60,141
Other curr. assets	20,018	11,593
Current Assets	$ 229,495	$ 188,400
≠Fixed assets	48,387	39,191
Other assets	16,432	19,699
Total Assets	$ 294,314	$ 247,290

Liabilities
(000's)

Long-term debt, curr.	$ 793	$ 1,286
Accts. payable	18,660	13,467
Accrued payroll	10,271	7,559
Other accruals	20,882	11,527
Income taxes	8,401	2,560
Curr. Liabilities	$ 59,007	$ 36,399
Long-term debt	829	3,356
Deferred inc. taxes	2,131	1,714
+Common stock	121,980	116,191
Notes receiv.-stock sale	(469)	—
Retained earnings	110,600	90,660
Accum. trans. adjust.	236	(1,030)
Total Liabilities Shareholders' Equity	$ 294,314	$ 247,290

* At lower of standard cost or market.
≠ Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	7.83	14.06
% Net Income to Sales	4.89	8.89
% Net Income to Equity	8.82	16.67
Sales to Inventories	9.14	6.42
Debt to Equity	0.01	0.02
Working Capital	$ 170,488,000	$ 152,001,000
Current Ratio	3.89	5.18
Shareholders' Equity	$ 232,347,000	$ 205,821,000

TIE/Communications, Inc.

4 Progress Avenue
Seymour, Connecticut 06483
(203) 888-8000
FAX: (203) 888-8255

Officers: Eric V. Carter, president; Barry D. Schumaker, v.p.-administration; Roger L. Crossland, general counsel & secretary; Randolph K. Piechocki, president-TIE Systems, Inc. Division; Anthony T. Guiterman, treasurer.

Directors: Eric V. Carter, Thomas L. Kelly, Jr., Robert E. LaBlanc, George N. Benjamin, III, Charles E. Gerber, David M. Seldin, James A. Ross.

Areas of Work: Engaged in the design, manufacture and marketing of telecommunications products. Principal products are multi-featured, fully electronic, digitally controlled telephone systems, primarily for business use. The Company's products also include peripheral data and telecommunications products, telephone instruments and specialized instruments and specialized high traffic turret communications systems.

Subsidiaries:

TIE International, Inc.

TIE/Telecommunications Canada Ltd.
Exclusive Canadian distributor for the Company. Also manufactures and markets two digital PABX systems.

Turret Equipment Corporation
Engaged in the design, manufacture and marketing of specialized high traffic turret telephone systems primarily for use in the financial trading community.

TIE Industries, Inc.

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
New York, New York 10038

Stock Exchange(s): American

Ticker Symbol: TIE

Number of Employees:

1990	1,386	1987	1,520
1989	1,168	1986	1,700
1988	2,159		

Sales & Earnings

	Net Sales +	Net Income †
1990	$ 150,989,000	$ (7,404,000)
1989	223,118,000	(69,825,000)
1988	255,299,000	(16,953,000)
1987	250,172,000	(10,648,000)
1986	298,154,000	(56,593,000)

	No. of Com Shares	Earn. per Share † ‡
1990	34,692,303	$ —
1989	34,624,593	—
1988	34,596,597	—
1987	34,469,716	—
1986	36,060,085	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $472,000 in 1987 and $1,179,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 31,792,000	$ 0.92
1989	41,234,000	1.19
1988	115,763,000	3.35
1987	138,203,000	4.01
1986	156,346,000	4.34

Income Account *

Year ended Dec. 31	1990	1989
Revenues		
Equip. sales	$ 129,563	$ 204,570
Services prov.	21,426	18,548
Total revenues	$ 150,989	$ 223,118
Cost of sales	84,911	140,344
Expenses	73,171	101,367
Write-off of intangibles	—	21,724
Prov. for plant closing	—	18,014
Writedown of inventory	4,420	7,529
Prov. for restruc. of oper.	3,700	6,802
Prov. for uncollect. note rec.	2,460	—
Financial expense (income)	2,493	(443)
Gain on sale of Europ. seg.	(13,358)	—
Loss before taxes	$ (6,808)	$ (72,219)
Income taxes	941	5,253
Eq. in loss of affil.	6	92
Minority interest	(351)	(7,739)
Net Loss	$ (7,404)	$ (69,825)

* Included in Costs and Expenses, Depreciation and Amortization: $4,907,000 in 1990 and $8,750,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equivs	$ 19,842	$ 20,188
Short-term invest.	—	9
Accts. receiv., net	18,730	39,546
*Inventories	26,375	48,675
Receiv. from officers	161	486
Other receivables	2,265	3,767
Other curr. assets	3,001	4,899
Current Assets	$ 70,374	$ 117,570

≠Fixed assets		8,834		11,924
Investments in affil		1,324		1,161
Intangibles		48,300		45,133
Notes receivable		3,285		5,400
Other assets		281		426
Total Assets	$	132,398	$	181,614

Liabilities
(000's)

Notes payable & long-term debt, curr	$	5,076	$	23,943
Accts payable		6,311		15,361
Accruals		20,622		25,093
Restruc reserves		10,048		5,773
Def serv revenue		5,102		4,547
Income taxes		12,720		12,171
Curr Liabilities	$	59,879	$	86,888
Long-term debt		33,795		6,778
Minority interest		2,361		3,043
Deferred income		452		654
Deferred inc taxes		134		120
Other liabilities		3,985		—
Redeem pref stock		—		42,897
+Common stock		1,737		1,731
Add paid-in capital		171,947		173,307
Retained earnings (deficit)		(143,188)		(135,784)
Treasury stock		(86)		(1)
Restricted stock awards		(35)		(124)
Cum trans adjust		1,417		2,105
Total Liabilities & Shareholders' Equity	$	132,398	$	181,614

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.05 par value

Statistical Summary

Sales to Inventories		4.91		4.20
Debt to Equity		1.22		0.75
Working Capital	$	10,495,000	$	30,682,000
Current Ratio		1.18		1.35
Shareholders' Equity	$	31,792,000	$	41,234,000

TII Industries, Inc.

1385 Akron Street
Copiague, New York 11726
(516) 789-5000
FAX (516) 789-5063

Officers: Alfred J Roach, chairman of the board & chief executive officer; Timothy J Roach, president; Dorothy Roach, secretary & treasurer; Thomas F Belleau, vice president/finance; John T Hyland, Jr., vice president/controller; C Bruce Barksdale, vice president-product development; Alan Hotaling, vice president/general manager; James A Roach, vice president-sales; John M Cawley, vice president-engineering; Frances Giambanco, vice president-administration & asst secretary

Directors: Alfred J Roach, chairman, Timothy J Roach, Dorothy Roach, C Bruce Barksdale, James R Grover, Jr., Joseph C Hogan

Areas of Work: The company designs, manufactures and markets overvoltage protection devices and component gas tubes used to protect telecommunications, industrial, electrical and electronic equipment from damage or destruction, and their users from possible injury, caused by lightning and other electrical voltage surges. The company also designs, manufactures and markets station electronic products and molded plastic housings, some of which contain the company's overvoltage protectors and/or station electronic products, primarily for the telecommunications industry for use principally at customer premises, and uninterruptible power supply systems designed to protect computer and computer-related equipment

Subsidiaries:

TII Corporation
1385 Akron Street
Copiague, New York 11726

TII Industries, Inc /Puerto Rico
TII Electronics, Inc
Road 165, Kilometer 1.6
Toa Alta 00758 Puerto Rico

Affiliates:

Teleprobe Systems, Inc (31.5% owned)
Manufactures fault diagnosis and testing equipment for communication systems

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: TI

Number of Employees

1990	1,143	1987	1,075
1989	1,180	1986	900
1988	1,182		

Plant Footage

1990	146,000 sq. ft	1987	138,000
1989	142,000	1986	128,000
1988	138,000		

Sales & Earnings

		Net Sales		Net Income
1990	$	29,065,000	$	(3,672,000)
1989		31,475,000		338,000
1988		30,742,000		(13,582,000)
1987		34,583,000		1,842,000
1986		38,291,000		1,271,000

	No. of Com Shares +		Earn. per Share +
1990	3,532,000	$	—
1989	3,603,000		0.09
1988	3,059,000		—
1987	3,033,000		0.61
1986	2,949,000		0.43

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

		Total Equity		Equity Per Share + *
1990	$	6,887,000	$	1.95
1989		10,440,000		2.90
1988		9,271,000		3.03
1987		22,381,000		7.45
1986		20,280,000		6.88

+ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *

Year ended		7/29/90		6/30/89
Net sales	$	29,065,000	$	31,475,000
Cost of sales		24,357,000		24,884,000
Forgiveness of def credit		—		(4,018,000)
Sell., gen., & adm. exp		5,475,000		6,429,000
Research & develop. exp		1,518,000		1,917,000
Interest expense		1,515,000		1,231,000
Other income		(125,000)		(53,000)
Eq. in loss (inc.) of affil		—		747,000
Net Income (Loss)	$	(3,672,000)	$	338,000

* Included in Costs and Expenses. Depreciation and Amortization: $1,476,000 in 1990 and $1,655,000 in 1989

Assets

As of		6/29/90		6/30/89
Cash	$	481,000	$	416,000
Accts receiv., net		3,699,000		4,118,000
Other receivables		121,000		470,000
*Inventories		10,627,000		12,497,000
Prepaid expenses		206,000		416,000
Current Assets	$	15,134,000	$	17,917,000
Adv. & invest. in affil		302,000		302,000
≠Fixed assets		8,653,000		9,840,000
Other assets		842,000		959,000
Total Assets	$	24,931,000	$	29,018,000

Liabilities

Notes payable	$	500,000	$	500,000
Long-term debt, curr		1,023,000		12,410,000
Accts payable		4,742,000		4,436,000
Accruals		1,344,000		1,042,000
Current Liabilities	$	7,609,000	$	18,388,000
Long-term debt		10,435,000		190,000
+Common stock		26,000		25,000
+Class B common stock		10,000		10,000
Add. paid-in capital		8,943,000		8,825,000
Retained earnings (deficit)		(1,811,000)		1,861,000
Treasury stock		(281,000)		(281,000)
Total Liabilities & Shareholders' Equity	$	24,931,000	$	29,018,000

* At lower of cost (FIFO) or market
≠ Less accumulated deprecation and amortization
+ $0.01 par value

Statistical Summary

% Net Income to Sales		—		1.07
% Net Income to Equity		—		3.24
Sales to Inventories		2.74		2.52
Debt to Equity		1.74		1.25
Working Capital	$	7,525,000		—
Current Ratio		1.99		—
Shareholders Equity	$	6,887,000	$	10,440,000

The Titan Corporation

(formerly Electronic Memories & Magnetics Corporation)

5910 Pacific Center Blvd
San Diego, California 92121
(619) 453-9592
FAX (619) 546-9718

Officers: J Sidney Webb, Jr., chairman; Gene W Ray, president & chief exec officer; Stephen P Meyer, sr v.p. & chief financial officer; Albert E Knauf, exec v.p.; Jane E Judd, corp controller; Martin P Fricke, sr v.p.-operations; John R McDougall, exec v.p.; D Marshall Nelson, sr v.p., general counsel & secretary; Jack A Walker, v.p.; L.L. Mike Fowler, v.p.

Directors: J Sidney Webb, Jr., Joseph F Caligiuri, Daniel J Fink, Gene W Ray, Charles R Allen

Areas of Work: Operations are grouped in three industry segments: Systems, Technologies, and Electronics. The Systems segment provides advanced technology system design and development and systems deployment, operational and test support in areas such as "C3I," space and weapons systems, and artificial intelligence. The Technologies segment conducts reasearch and development of emerging technologies in electro-optics, pulsed power, computational fluid dynamics and applied mechanics. The Electronics segment provides militarized computers, electronic subsystems, and meteor burst communications equipment

Subsidiaries:

Titan Severe Environment Systems Company
Manufactures microcomputers used in airborne, shipboard and ground-based mobile military systems as well as in harsh industrial environments

The Titan Corporation

Titan Systems, Inc
Provides systems engineering in high-priority defense program

Federal Services, Inc
Specializes in providing support for military training on simulators and war gaming

Beta Development Corporation
Designs and produces pulsed power systems, which include lasers and high-power, high voltage electronic subsystems for directed energy devices

California Research & Technology, Inc
Involved in the field of computer modeling used in nuclear effects testing

Spectron Development Laboratories, Inc
Engaged in electro-optics technology

Advanced Digital Systems, Inc
10052 Mesa Ridge Court, Suite 200
San Diego, California 92121
(619) 457-0512
Systems engineering and software development for Navy satellite communications systems

Pulse Sciences, Inc
600 McCormick Street
San Leandro, California 94577
(415) 632-5100
Pulsed power technology

Titan Linkabit
3033 Science Park Road
La Jolla, California

Transfer Agent(s): —

Bank of America, N.T. & S.A.
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: TTN

Number of Employees:

1990	N.A.	1987	1,200
1989	1,400	1986	2,100
1988	1,100		

N.A.-Not Available

Sales & Earnings

	Net Revenues +	Net Income †
1990	$ 124,022,000	$ 2,249,000
1989	97,669,000	2,263,000
1988	96,695,000	(11,162,000)
1987	92,847,000	1,525,000
1986	76,320,000	1,251,000

	No. of Com. Shares #	Earn. per Share † #
1990	9,690,000	$ 0.16
1989	10,539,000	0.14
1988	12,721,000	—
1987	13,275,000	0.04
1986	12,873,000	0.02

(Loss)
+ Of continuing operations only
† Including extraordinary gain of $476,000 ($0.03 per share) in 1987 and extraordinary loss of $600,000 ($0.05 per share) in 1986
# Based on the weighted average number of shares outstanding

Revenues By Line of Business

	1990	1989
Systems	$ 80,354,000	$ 52,993,000
Technologies	27,411,000	30,108,000
Electronics	16,257,000	14,568,000
Total	$ 124,022,000	$ 97,669,000

Common Stock Equity

	Total Equity †	Equity Per Share #
1990	$ 11,924,000	$ 1.23
1989	10,534,000	1.00
1988	15,621,000	1.23
1987	27,228,000	2.05
1986	27,754,000	2.16

† After allowing for preferred stock at liquidation value of $20 per share
# Based on the weighted average number of shares outstanding

Income Account * —
(000's)

Year ended Dec. 31	1990	1989
Net revenues	$ 124,022	$ 97,669
Cost of revenues	101,226	78,924
Expenses	18,160	15,821
Interest expense	2,060	862
Interest income	(241)	(484)
Income before taxes	$ 2,817	$ 2,546
Income taxes	568	375
Inc.-cont. oper.	$ 2,249	$ 2,171
Inc.-discont. oper.	—	92
Net Income	$ 2,249	$ 2,263

* Included in Costs and Expenses, Depreciation and Amortization: $3,339,000 in 1990 and $2,409,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 321	$ 1,983
Accts. receiv., net	43,984	26,893
*Inventories	5,268	4,025
Prepaid expenses	3,210	1,925
Assets of discont. oper.	—	1,999
Land & bldg. held for sale	20,000	—
Current Assets	$ 72,783	$ 36,825
# Fixed assets	10,279	5,612
Intangibles	3,895	3,970
Other assets	2,331	2,560
Total Assets	$ 89,288	$ 48,967

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 17,700	$ —
Accts. payable	6,283	3,656
Income taxes	97	1,572
Accrued comp.	8,240	4,742
Other accruals	10,723	6,128
Curr. Liabilities	$ 43,043	$ 16,098
Long-term debt	12,550	2,200
Other liabilities	7,871	6,147
+Preferred stock	695	699
++Common stock	134	134
Add. paid-in capital	23,958	23,995
Retained earnings	12,414	10,861
Treasury stock	(11,377)	(11,167)
Total Liabilities & Shareholders' Equity	$ 89,288	$ 48,967

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $1 par value; $1 convertible
++ $0.01 par value

Statistical Summary

% Income bef. Taxes to Revenues	2.27	—
% Net Income to Revenues	1.81	—
% Net Income to Equity	8.71	9.23
Debt to Equity	1.17	0.09
Working Capital	$ 29,740,000	$ 20,727,000
Current Ratio	1.69	2.29
Shareholders' Equity	$ 25,824,000	$ 24,522,000

Torotel, Inc.

13402 South 71 Highway
Grandview, Missouri 64030
(816) 761-6314
FAX: (816) 763-2278

Officers: Alfred F. Marsh, chairman, president & chief exec. officer; Victor K. Brewer, Jr., treasurer; Donald H. Loudon, secretary

Directors: Alfred F. Marsh, chairman; Dale H. Sizemore, Jr.; Victor K. Brewer, Jr., Jack C. Beecroft

Areas of Work: Designs and manufactures magnetic components such as transformers, chokes and toroidal coils, used in aircraft navigational systems, voice and data secure communications, telephone and avionics equipment, and missile and torpedo guidance systems

Subsidiary:

Torotel Products, Inc
Grandview, Missouri

Transfer Agent(s):

United Missouri Bank
Kansas City, Missouri

Stock Exchange(s): American

Ticker Symbol: TTL

Number of Employees:

1991	230	1989	220
1990	225	1988	200

Plant Footage:

1991	24,000 sq. ft.	1989	24,000
1990	24,000	1988	24,000

Sales & Earnings

	Net Sales +	Net Income
1990	$ 9,179,000	$ 337,000
1989	9,107,000	305,000
1988	9,468,000	722,000
1987	10,794,000	(1,939,000)
1986	11,040,000	(5,408,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1990	2,700,135	$ 0.13
1989	2,581,028	0.12
1988	2,573,060	0.28
1987	2,537,728	—
1986	2,506,717	—

(Loss)
+ Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 1,750,000	$ 0.65
1989	1,389,000	0.54
1988	1,073,000	0.42
1987	345,000	0.14
1986	2,193,000	0.87

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend

Income Account •

Year ended Apr. 30	1990	1989
Net sales	$ 9,179,000	$ 9,107,000
Cost of sales	5,923,000	6,011,000
Expenses	2,586,000	2,511,000
Interest expense	373,000	268,000
Interest income	(7,000)	(24,000)
Other expense (income)	(40,000)	36,000
Income before taxes	$ 344,000	$ 305,000
Income taxes	7,000	—
Net Income	$ 337,000	$ 305,000

• Included in Costs and Expenses, Depreciation: $144,000 in 1990 and $154,000 in 1989

Assets

As of Apr. 30	1990	1989
Cash & cert of deposit	$ 130,000	$ 255,000
Accts. receiv., net	2,784,000	2,611,000
•Inventories	2,576,000	1,792,000
Prepaid expenses	120,000	124,000
Current Assets	$ 5,610,000	$ 4,782,000
‡‡Fixed assets	774,000	927,000
Other assets	24,000	9,000
Total Assets	$ 6,408,000	$ 5,718,000

Liabilities

	1990	1989
Long-term debt, curr	$ 250,000	$ 280,000
Short-term borrowings	—	324,000
Accts. payable	1,130,000	864,000
Accruals	714,000	526,000
Income taxes pay	3,000	—
Curr. Liabilities	$ 2,097,000	$ 1,994,000
Long-term debt	2,561,000	2,335,000
+Common stock	1,298,000	1,288,000
Add. paid-in capital	8,500,000	8,486,000
Retained earnings (deficit)	(7,944,000)	(8,281,000)
Treasury stock	(104,000)	(104,000)
Total Liabilities & Shareholders' Equity	$ 6,408,000	$ 5,718,000

• At lower of cost (moving average) or market
‡‡ Less accumulated depreciation
+ $0.50 par value

Statistical Summary

% Income bef. Taxes to Sales	3.75	3.35
% Net Income to Sales	3.67	3.35
% Net Income to Equity	19.26	21.96
Sales to Inventories	3.56	5.08
Debt to Equity	1.61	2.12
Working Capital	$ 3,513,000	$ 2,788,000
Current Ratio	2.68	2.40
Shareholders' Equity	$ 1,750,000	$ 1,389,000

Toshiba Corporation

1-1, Shibaura 1-chome
Minato-ku, Tokyo 105, Japan

Officers and Directors: Joichi Aoi*, president & chief executive officer; senior executive v.p.'s: Kinichi Kadono*, Fumio Sato*, Osamu Iemura*, Tsuyoshi Kawaanishi*; executive v.p.'s: Etsuro Ashihara*, Hidehiko Yoshida*, Tomoya Okuda*, Keichi Komiya*,; sr. v.p.'s: Yasuji Okū, Sadao Okane, Hiroshi Yamakawa, Seiichi Takayanagi, Kunika Mizushima, Yasumasa Yahagi, Yoshihiko Wakumoto, Hideharu Egawa, Takeshi Okatomi, Atsumi Uchiyama, Shiro Matsuo, Kosaku Inaba, director; vice presidents: Ichiro Miura, Kanichi Ito, Masaichi Koga, Tadao Taguchi, Hideyuki Matsui, Tomosuke Sato, Akihiro Fujii, Noboyuki Horiuchi, Shigeyasu Kurihara, Yasuo Ohta, Mitsuo Kubo, Terunori Aiga, Akira Kuwahara, statutory auditors: Kiyoshi Nagai, Kenjo Yoshimura, Norihiko Nakao.

* Denotes representative director.

Areas of Work: The Company's lines of business span industrial electronics and electronic components, heavy electrical apparatus, consumer products, and materials, machinery and other products.

In the area of Industrial Electronics, the Company produces office automation equipment, including computers, workstations, optical document filing systems, word processors, printers, floppy disk drives, optical character readers, and copiers; telecommunications equipment including private branch exchanges, push-button telephones, packet switching systems, data switches, and local area network systems; broadcasting equipment, including radio and television transmitters and color cameras; airport equipment, including radar systems and runway lighting equipment; space-related products, including engineering test satellites and broadcasting satellites; aerospace equipment and defense products; medical equipment, including computed tomography scanners, ultrasound diagnostic equipment, and magnetic resonance imaging systems; and labor-saving automation equipment, including letter- and package-sorting systems and banking machines.

In the area of Electronic Components, the Company produces semiconductors products, including memories, microprocessors, gate arrays, standard cells, logic ICs, bipolar ICs, power devices, diodes, and transistors; electron tubes, including color picture tubes, display tubes and magnetron tubes; and other electronic components, including printed circuit boards, charge-coupled devices, surface acoustic wave devices, sensors, and semiconductor lasers.

In the area of Consumer Products, the Company produces video products, including video cassette recorders and cameras, camcorders, video disc players, video tapes, and color televisions; audio products, including stereo systems, compact disc players, radio cassette recorders, headphone-type compact stereo cassette players, and portable and clock radios; household appliances, including room air conditioners, heaters, electric fans, washing machines, clothes dryers, vacuum cleaners, refrigerators, microwave ovens, food processors, juicers, blenders, toasters, rice cookers, and meat grinders; and lighting equipment, including incandescent and fluorescent bulbs, lamps, and lamp fixtures.

In the area of Heavy Electrical Apparatus, the Company produces power plant systems, including equipment for nuclear, thermal, geothermal and hydroelectric power plants, substations, computer-controlled transmission systems and subsystems; industrial electrical apparatus and measuring instruments, including control equipment for steel mills, pulp and paper plants, induction/synchronous/direct current motors, and process control instruments; factory automation systems and equipment, including industrial robots, unmanned carriers, computers and computer-aided design/computer aided-manufacturing systems with specific factory automation applications; and transportation equipment, including mass transportation control systems, electric locomotives, electrical equipment for railway coaches, railway substations, elevators and escalators.

In the area of Materials, Machinery and other Products, the Company produces materials, including steel tubing, alloys, quartz glass, ceramics, insulating materials, resin, magnetic and nonmagnetic materials, silicone, tungsten, and molybdenum products; machinery, including machine tools, precision machinery, semiconductor manufacturing equipment, plastic-fabricating machines, and die-casting equipment; and other products, including prefabricated housing, optical equipment, lightwave telemeters, and clinical thermometers.

Subsidiaries (Japan):

Iwate Toshiba Electronics Co., Ltd.
Kitashiba Electric Co., Ltd.
Kyodo Building Corporation
Marcon Electronics Co., Ltd.
Minato Building Co., Ltd.
Nishishiba Electric Co., Ltd.
Onkyo Corporation
Shibaura Engineering Works Co., Ltd.
Tokyo Electric Co., Ltd.
Toshiba Automation Co., Ltd.
Toshiba Battery Co., Ltd.
Toshiba Builders Appliance Co., Ltd.
Toshiba Building Corporation
Toshiba Ceramics Co., Ltd.
Toshiba Chemical Corporation
Toshiba Components Co., Ltd.
Toshiba Credit Corporation
Toshiba Electric Appliance Co., Ltd.
Toshiba Electronic Systems Co., Ltd.
Toshiba Elevator & Escalator Service Co., Ltd.
Toshiba Engineering & Construction Co., Ltd.
Toshiba Engineering Co., Ltd.
Toshiba Glass Co., Ltd.
Toshiba Heating Appliances Co., Ltd.
Toshiba Higashinihon Consumer Electronics Co., Ltd.
Toshiba Information Equipment Co., Ltd.
Toshiba Lighting & Technology Corporation
Toshiba Medical Systems Co., Ltd.
Toshiba Physical Distribution Co., Ltd.
Toshiba Silicone Co., Ltd.
Toshiba Steel Tube Co., Ltd.

Subsidiaries (North America):

Toshiba of Canada Ltd.; Willowdale, Ontario
Toshiba America, Inc.; New York
Toshiba America Information Systems, Inc.; Irvine (CA)
Toshiba America Medical Systems, Inc.; Tustin (CA)
Toshiba America Electronic Components, Inc.; Irvine (CA)
Toshiba America Consumer Products, Inc.; Wayne (NJ)
Toshiba International Corporation; San Francisco
Toshiba Electronics (UK) Limited
Toshiba Medical Systems Europe B.V.
Toshiba Consumer Products Europe GmbH
Toshiba Electronics Europe GmbH
Toshiba Europe (I.E.) GmbH
Toshiba Informationssysteme (Deutschland) GmbH
Toshiba Semiconductor GmbH
Toshiba Consumer Products (France) S.A.
Toshiba Systemes (France) S.A.
Man On Toshiba Limited
Toshiba Electronics Asia, Ltd.
Toshiba Electronics Malaysia Sdn. Bhd.
Toshiba Singapore Pte., Ltd.
Toshiba (Australia) Pty. Ltd.

Transfer Agent(s):

The Mitsui Trust and Banking Co., Ltd.

Stock Exchange(s): Tokyo

Number of Employees:

1990	142,000	1987	121,000
1989	125,000	1986	120,000
1988	122,000		

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1990	¥ 4,251,953	¥ 131,836
1989	3,800,857	119,402
1988	3,572,435	60,711
1987	3,307,593	34,178
1986	3,372,955	59,440

	No. of Com Shares	Earn. per Share ‡
1990	3,172,495,902	¥ 40.11
1989	3,074,565,423	37.27
1988	2,939,414,618	20.37
1987	2,732,493,655	11.86
1986	2,675,677,236	19.24

¥ - Yen
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues By Line of Business
(millions)

	1990	1989
Information/ communication syst. & elec. devices	¥ 2,148,600	¥ 1,866,620
Heavy electrical apparatus	797,200	727,017
Consumer prods. & other	1,306,200	1,207,220
Total	¥ 4,252,000	¥ 3,800,857

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥ 10.00	—	—
1989	8.00	—	—
1988	8.00	—	—
1987	8.00	—	—
1986	8.00	—	—

Common Stock Equity

	Total Equity (millions)	Equity Per Share
1990	¥ 1,085,740	¥ 342.24
1989	880,363	286.34
1988	717,938	244.25
1987	592,923	216.99
1986	566,557	211.74

Income Account *
(millions)

Year ended Mar. 31	1990	1989
Net sales	¥ 4,251,953	¥ 3,800,857
Other income	155,020	117,006
Total income	¥ 4,406,973	¥ 3,917,863
Cost of sales	2,863,961	2,584,153
Expenses	1,072,059	968,684
Interest expense	95,098	70,487
Other expenses	106,119	59,710
Income before taxes	¥ 269,736	¥ 234,829
Income taxes	146,064	123,361
Minority interests	4,409	4,253
Eq. in inc. of affil. cos.	(12,573)	(12,187)
Net Income	¥ 131,836	¥ 119,402

* Included in Costs and Expenses, Depreciation: ¥ 256,824,000,000 in 1990 and ¥ 196,966,000,000 in 1989

Assets
(millions)

As of Mar. 31	1990	1989
Cash & cash equiv.	$ 1,018,742	¥ 636,731
Marketable securities	189,160	171,147
Trade receiv.	1,019,319	883,146
*Inventories	959,980	825,167
Prepaid expenses	254,952	206,854
Current Assets	¥ 3,442,153	¥ 2,723,045
Long-term receiv.	155,426	116,263
Investments in & adv. to affil. cos.	152,338	141,732
Other investments	313,761	262,645
≠Fixed assets	905,576	789,799
Other assets	212,012	172,246
Total Assets	¥ 5,181,266	¥ 4,205,730

Liabilities
(millions)

	1990	1989
Bank loans	¥ 791,465	¥ 655,787
Long-term debt, curr.	92,126	63,227
Notes payable	351,687	310,097
Accts. payable	462,628	407,937
Notes payable for construc.	75,551	69,893
Accrued taxes	112,746	119,852
Advance payments	405,391	451,367
Empl. sav. deposits	79,679	71,748
Other accruals	385,445	285,215
Curr. Liabilities	¥ 2,756,720	¥ 2,437,123
Long-term debt	914,479	526,221
Liab. for severance liab.	290,281	244,206
Minority interest	134,046	117,817
+Common stock	261,720	229,732
Add. paid-in capital	272,473	224,954
Legal reserve	47,145	43,481
Retained earnings-dividends	17,448	12,298
Retained earnings	504,600	407,825
Cum. trans. adjust.	(17,746)	(37,927)
•Total Liabilities & Shareholders' Equity	¥ 5,181,266	¥ 4,205,730

* At lower of cost (average & FIFO) or market
≠ Less accumulated depreciation
+ ¥ 50 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	6.34	6.18
% Net Income to Sales	3.10	3.14
% Net Income to Equity	12.14	13.56
Sales to Inventories	4.43	4.61
Debt to Equity	2.08	1.85
Working Capital (000's)	¥ 685,433,000	¥ 285,922,000
Current Ratio	1.25	1.12
Shareholders' Equity (000's)	¥1,085,740,000	¥ 880,363,000

Trans-Lux Corporation

110 Richards Avenue
Norwalk, Connecticut 06856-5090
(203) 853-4321
FAX: (203) 853-4321

Officers: Richard Brandt, chairman, chief exec. officer & president; Victor Liss, exec. v.p., secretary & chief financial officer; Frank N. Daniels, sr. v.p.; Charles J. Holloman, sr. v.p. & chief scientist; Thomas M. Waltz, sr. v.p.; Robert Belger, sr. v.p.; Marianne Johnson, vice president; Matthew Brandt, v.p.-entertainment subsidiaries; Caroline A. Williamson, v.p.-Trans-Lux Canada Ltd.; Angela D. Toppi, treasurer & asst. secretary; Arthur Smith, asst. v.p.; Richard K. Kramer, assistant v.p.; Catherine F. Nonnenmacher, assistant v.p.; Robert Budd, sr. v.p.; Thomas Calello, asst. vice president; Earl Potter, v.p.-Trans-Lux Montezuma Corporation; Fred Duray, asst. vice president; Gene Coyne, asst. vice president; James A. Tripp Jr., asst. vice president; Michael R. Mulcahy, vice president; Jerry F. Krause, asst. v.p.; Thomas Mahoney, asst. v.p.; Corwin J. White, asst. v.p.; Karl P. Hirschauer, v.p.; Derek Stodart, v.p.-Trans-Lux Canada Ltd.; Ronald H. Turcotte, exec. v.p.; Robert P. Bosworth, v.p.-Trans-Lux Canada Ltd.; Thomas Brandt, v.p.-entertainment subsidiaries; Robert Hanke, asst. v.p.-Trans-Lux Credit Terminal Corporation; David Yoksza, asst. v.p.

Directors: Richard Brandt, chairman; Allan Fromme, Jean Firstenberg, Robert Greenes, Edward H. Meyer, Howard S. Modlin, Victor Liss.

Areas of Work: The Company's Communications Division designs, produces, leases, sells and services large-scale LED (light-emitting diodes) information displays, microprocessor-based telecommunications terminals and facsimile transmission equipment. The Company's Entertainment Division operates a multimedia auditorium in New York City.

Divisions:

Communications Division
Entertainment Division

Subsidiaries:

Trans-Lux SignLine Corporation
Trans-Lux News-Sign Corporation
Trans-Lux Service Corporation
Trans-Lux Multimedia Corporation
Trans-Lux Syndicated Programs Corporation
Trans-Lux Canada Ltd.
Saunders Realty Corporation
Trans-Lux Data Network Corporation
Trans-Lux South Street Venture Corporation
Trans-Lux Seaport Corporation
Trans-Lux Investment Corporation

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: TLX

Number of Employees:

1990	N.A.	1987	322
1989	350	1986	325
1988	N.A.		

N.A. - Not Available

Plant Footage:

1990	88,000 sq. ft.	1987	88,000
1989	88,000	1986	88,000
1988	88,000		

Sales & Earnings

	Revenues +	Net Income
1990	$ 19,469,000	$ 175,000
1989	20,869,000	381,000
1988	19,031,000	(1,496,000)
1987	19,427,000	(464,000)
1986	19,965,000	4,104,000

	No. of Com Shares ‡	Earn. per Share ‡
1990	1,461,000	$ 0.12
1989	1,476,000	0.26
1988	1,582,000	—
1987	1,807,000	—
1986	1,917,000	2.15

( ) Loss
+ Of continuing operations only
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.228	—	—
1989	0.152	5%	—
1988	0.152	5%	—
1987	0.152	—	—
1986	0.134	5% & 5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 20,985,000	$ 14.34
1989	21,194,000	14.36
1988	21,187,000	13.39
1987	24,781,000	13.71
1986	26,616,000	13.88

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Gross revenues		
Equip. rentals	$ 11,887	$ 13,206
Equip. sales	7,582	7,663
Total revenues	$ 19,469	$ 20,869
Cost of revenues	10,657	11,562
Expenses	8,203	8,373
Interest income	(1,493)	(1,520)
Interest expense	2,132	2,051
Other income	(365)	(231)
Income before taxes	$ 335	$ 634
Income taxes	160	253
Net Income	$ 175	$ 381

* Included in Costs and Expenses, Depreciation and Amortization: $3,610,000 in 1990 and $3,556,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 830	$ 1,056
Marketable securities	7,437	18,952
Accts. receiv., net	2,175	2,550
*Inventories	262	289
Current Assets	$ 10,704	$ 22,847
Investments	1,350	1,240
Rental equipment	13,913	13,193
♯Fixed assets	9,590	8,332
Intangibles	1,887	1,720
Total Assets	$ 37,444	$ 47,332

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 495	$ 508
Short-term borrowings	—	6,996
Accts. payable & accruals	2,202	2,324
Income taxes	200	241
Curr. Liabilities	$ 2,897	$ 10,069
Long-term debt	12,370	14,271
Deferred revenue	170	810
Deferred inc. taxes	624	544
Minority interest	398	444
+Common stock	2,300	2,232
+Class B stock	440	508
Add. paid-in capital	13,807	13,807
Retained earnings	15,241	15,236
Treasury stock	(10,803)	(10,589)
Total Liabilities & Shareholders' Equity	$ 37,444	$ 47,332

* At lower of cost (FIFO) or market.
♯ Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1990	1989
%Income bef. Taxes to Revenues	1.72	3.04
%Net Income to Revenues	0.90	1.83
%Net Income to Equity	0.83	1.80
Debt to Equity	0.61	1.03
Working Capital	$ 7,807,000	$ 12,778,000
Current Ratio	3.69	2.27
Shareholders' Equity	$ 20,985,000	$ 21,194,000

Transmation, Inc.

977 Mt. Read Boulevard
Rochester, New York 14606
(716) 254-9000
FAX: (716) 254-0273

Officers: William J. Berk, president & chief executive; Philip P. Schulp, v.p.-sales; Anthony S. Graff, v.p.-manufacturing; John A. Misiaszek, v.p.-finance, secretary-treasurer; Paul M. Augenstein, v.p.-engineering; John A. DeVoldre, v.p.-human resources; Eric W. McInroy, president-TRANSCAT, INC.; Barry F. Wharity, v.p.-TRANSCAT, INC.; Donald R. Welsh, v.p.-TRANSCAT, INC.

Directors: William J. Berk, Angelo J. Chiarella, Philip P. Schulp, Gerald R. Katz, Arthur M. Richardson, Robert G. Klimasewski, John W. Oberlies, Harvey J. Palmer.

Areas of Work: Engaged in the development and manufacture of electronic interface instruments and digital systems; produces products such as thermocouple dial alarms for monitoring plant warning temperatures, electronic integrators for accurate counting of proportional analog signals, integrated circuit transmitters, field signal indicators, calibration equipment and other manufacturers' products through direct mail marketing.

Divisions and Subsidiaries:

Instrument Division
Transcat, Inc.
Systems/Computer Division

Transmation (Canada) Inc.
170 Brockport Drive
Rexdale, Ontario M9W5C8, Canada

Transfer Agent(s):

The National City Bank of Cleveland
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRNS (NASDAQ)

Number of Employees:

1990	220	1987	N.A.
1989	200	1986	166
1988	193		

Plant Footage:

1990	38,800 sq. ft.	1987	38,800
1989	38,800	1986	38,800
1988	38,800		

Sales & Earnings

	Net Sales	Net Income
1990	$ 23,734,394	$ 1,068,550
1989	21,218,935	864,112
1988	16,766,826	397,427
1987	15,325,048	333,056
1986	15,418,680	373,450

	No. of Com. Shares	Earn. per Share ♯
1990	2,314,782	$ 0.45
1989	2,307,282	0.37
1988	2,307,282	0.17
1987	2,307,282	0.14
1986	2,307,282	0.16

♯ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 6,352,084	$ 2.74
1989	5,186,511	2.25
1988	4,354,956	1.89
1987	3,951,418	1.71
1986	3,572,791	1.55

† Adjusted to reflect stock split.

Income Account *

Year ended March 31	1990	1989
Net sales	$ 23,734,394	$ 21,218,935
Cost of sales	12,771,138	11,420,378
Sell. and adm. expenses	7,919,626	7,100,865
Res. & develop. expenses	1,157,745	1,111,140
Interest expense	183,735	153,440
Income before taxes	$ 1,702,150	$ 1,433,112
Income taxes	633,600	569,000
Net Income	$ 1,068,550	$ 864,112

* Included in Costs and Expenses, Depreciation and Amortization: $376,469 in 1990 and $346,945 in 1989.

Assets

As of March 31	1990	1989
Cash	$ 171,067	$ 67,681
Accts. receiv. net	3,534,424	3,174,502
*Inventories	5,362,249	4,604,061
Prepaid expenses	455,028	427,053
Current Assets	$ 9,522,768	$ 8,273,297
♯Fixed assets	975,889	1,081,906
Deferred charges	49,282	29,935
Prepaid taxes	403,860	376,525
Other assets	221,695	193,736
Total Assets	$ 11,173,494	$ 9,955,399

Liabilities

	1990	1989
Cap. lease oblig., curr.	$ 109,135	$ 116,318
Accts. payable	1,345,983	1,539,033
Accruals	1,265,623	1,298,808
Income taxes payable	208,518	509,804
Deferred income taxes	218,096	222,061
Curr. Liabilities	$ 3,147,355	$ 3,686,024

Capital lease oblig	81,311	190,448
Long-term debt	1,000,000	400,000
Deferred compensation	592,744	492,416
+ Common stock	1,157,391	1,153,641
Add. paid-in capital	850,062	842,200
Translation-adjust	42,129	5,234
Retained earnings	4,367,693	3,299,143
Notes receiv. for stock purch	(65,191)	(113,707)
Total Liabilities & Shareholders' Equity	$ 11,173,494	$ 9,955,399

* At lower of standard cost or market
≠ Less accumulated depreciation
+ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	7.17	6.75
% Net Income to Sales	4.50	4.07
% Net Income to Equity	16.82	16.66
Sales to Inventories	4.43	4.61
Debt to Equity	0.19	0.14
Working Capital	$ 6,375,413	$ 4,587,273
Current Ratio	3.03	2.24
Shareholders' Equity	$ 6,352,084	$ 5,186,511

TransTechnology Corporation

15303 Ventura Boulevard, 12th Floor
Sherman Oaks, California 91403
(818) 990-5920
FAX: (818) 905-5199

Officers: Arch C. Scurlock, chairman; Ralph E. Hutchins, president & chief exec. officer; Paul Grosher, sr. v.p. & treasurer; Thomas E. Hanrahan, group v.p.; Patrick K. Bolger, group v.p.; Jack R. Hiatt, v.p.; Jeffrey A. Norton, v.p. & secretary; Lee M. Parker, v.p.

Directors: Arch C. Scurlock, chairman; Jefferson W. Asher, Jr., William O'Bowers, III, Frank L. Bryant, John H. Grover, Richard Mascuch, Dan McBride, Richard J. Riordan, Ralph E. Hutchins.

Areas of Work: Develops, manufactures, and sells a wide range of technically sophisticated products.

Aerospace-Defense products include cargo restraint and control products -- principally helicopter rescue hoists and external hook systems, winches and hoists for aircraft and other weapon systems, and aircraft and cargo tie-down devices, metallized-glass-fiber products (referred to as chaff) and related devices and systems; custom electrical-interconnection systems and their components, including a broad line of high-quality connectors; and weather instruments.

Advanced-Technology products include sophisticated computer-aided design and drafting (CADD) display workstations, bank automation equipment -- advanced reader-sorters and related accessories, check repair equipment, and automated terminals; and remittance-processing equipment.

Industrial products include gear-driven fasteners, tachometers and related equipment, and crane accessories, textile-finishing machinery and related supplies, and elastomer products, and tear gas and related law enforcement products.

Divisions and Subsidiaries:

Breeze Eastern
700 Liberty Avenue
Union, New Jersey 07083
(201) 686-4000
Cargo restraint and control products.

Breeze Industrial Products
100 Aero-Seal Drive
Saltsburg, Pennsylvania 15681
(412) 639-3527
Gear-driven fasteners, tachometers and related equipment.

Lundy Technical Center
3901 N.E. 12th Avenue
P.O. Box 5280
Pompano Beach, Florida 33064
(305) 943-1500
Produces metallized-glass fiber (chaff) and related products.

Federal Laboratories
1 Tunnelton Road
Post Office Box 305
Saltsburg, Pennsylvania 15681
(412) 639-3511
Tear gas and related law enforcement products, and signal flares.

Electronics
8800 Allen Road
Peoria, Illinois 61615-1584
(303) 693-3300

Belfort Instrument
727 South Wolfe Street
Baltimore, Maryland 21231
(301) 342-2626
Manufactures weather instruments.

Lundy Computer Graphics
1 Robert Lane
Glen Head, New York 11545
(516) 671-9000
Computer-aided design drafting and display monitors and subsystems.

Lundy Financial Systems
5535 Wilkinson Boulevard
P.O. Box 668
Charlotte, North Carolina 28208
(704) 394-1161
Automated financial systems.

TransTechnology (Europe)
Warrior House
12-14 The Hard, Portsmouth
Hampshire PO1 3QU, England
44(705) 828866
International sales and service for Lundy products.

Gessner/Howard/Miller
41 Fremont Street
P.O. Box 15069
Worcester, Massachusetts 01615-0069
(617) 793-7000
Produces textile-finishing machinery and crane accessories.

Lloyd Manufacturing
130 Franklin Street
P.O. Box 347
Warren, Rhode Island 02885
(401) 245-6600
Elastomer products.

Transfer Agent(s):

Bank of America, N.T. & S.A.
Los Angeles, California

Stock Exchange(s): New York

Ticker Symbol: TT

Number of Employees:

1990	2,000	1987	2,500
1989	2,600	1986	2,627
1988	2,620		

N.A. - Not Available

Sales & Earnings

	Revenues +	Net Income	No. of Com Shares	Earn. per Share ‡
1990	$ 198,510,000	$ (8,442,000)	5,135,210	$ —
1989	219,034,000	9,244,000	5,136,441	1.80
1988	191,945,000	11,998,000	5,140,461	2.27
1987	186,584,000	10,636,000	5,310,144	2.28
1986	104,912,000	6,947,000	4,570,472	1.52

( ) Loss
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Aerospace products	$ 82,431,000	$ 82,431,000
Advanced technology prods	64,324,000	81,955,000
Industrial prods	54,453,000	53,823,000
Total	$ 197,814,000	$ 218,209,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.96	—	—
1989	0.90	—	—
1988	0.82	—	—
1987	0.68	—	—
1986	0.64	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 78,852,000	$ 15.36
1989	92,304,000	17.97
1988	87,768,000	17.07
1987	82,832,000	15.60
1986	59,554,000	13.03

Income Account *
(000's)

Year ended Mar. 31	1990	1989
Revenues		
Net sales	$ 197,814	$ 218,209
Interest income	257	309
Other income	439	516
Total revenues	$ 198,510	$ 219,034
Cost of sales	148,187	144,564
Expenses	49,697	48,380
Interest expense	6,778	6,059
Inc. (loss) bef. taxes	$ (6,152)	$ 20,031
Income taxes (credit)	(2,851)	7,745
Inc. (loss)-cont. oper	$ (3,301)	$ 12,286
Loss-discont. oper	(5,141)	(3,042)
Net Income (Loss)	$ (8,442)	$ 9,244

* Included in Costs and Expenses, Depreciation and Amortization: $8,571,000 in 1990 and $7,954,000 in 1989.

Assets
(000's)

As of Mar. 31	1990	1989
Cash & short-term invest	$ 2,827	$ 3,441
Accts. receiv., net	51,702	64,930
Inc. tax receiv	5,170	—
* Inventories	61,028	64,986
Prepaid expenses	4,624	4,129
Deferred income taxes	4,328	3,143
Businesses held for sale	3,113	2,976
Current Assets	$ 132,792	$ 143,605

≠Fixed assets		40,101		45,339
Notes recvb		3,136		453
Costs in exc of assets acq		9,335		9,621
Other assets		3,208		7,472
Total Assets	$	168,569	$	206,490

Liabilities
(000's)

Notes pay & long-term debt curr	$	7,400	$	3,271
Accts payable		16,665		19,435
Accrued compensation		5,704		6,431
Income taxes				540
Other curr liabilities		10,159		7,938
Curr Liabilities	$	39,928	$	37,617
Long-term debt		86,215		72,708
Deferred inc taxes		1,420		3,609
Other liabilities		154		255
+Common stock		51		51
Add paid-in capital		44,750		44,822
Retained earnings		34,051		47,431
Total Liabilities & Shareholders' Equity	$	168,569	$	206,490

* At lower of cost (FIFO) or market
≠ Less accumulated depreciation and amortization
+ $0.01 par value

Statistical Summary

% Net Income to Equity				(0.01)
Sales to Inventories		3.24		3.61
Debt to Equity		0.91		0.82
Working Capital	$	92,864,000	$	105,988,000
Current Ratio		3.33		3.82
Shareholders' Equity	$	78,852,000	$	92,304,000

Triad Systems Corporation

3055 Triad Drive
Livermore, California 94550
(415) 449-0606
FAX (415) 455-6471

Officers: William W. Stevens, chairman of the board; James R. Porter, president & chief exec. officer; Shane E. Gorman, v.p. & gen. mgr.-Automotive Division; Stephen J. LaCommare, v.p.-manufacturing & corp. quality; Stanley F. Marquis, president-TSC Leasing Corporation & corp. treasurer; Thomas J. O'Malley, v.p.-administration; Ralph C. Montelius, v.p.-customer services; Thomas A. King, v.p.-product development; Jerome W. Carlson, v.p.-finance, chief financial officer & corp. secretary; Donald C. Wood, v.p.-information services; Anthony J. Zuanich, v.p. & gen. mgr.-Retail Hardgoods Division; Joseph F. Shea, gen. mgr.-Dental Division; Bruce M. Blanco, controller.

Directors: William W. Stevens, chairman; Henry M. Gay, James R. Porter, George O. Harmon.

Areas of Work: The corporation designs, manufactures, markets and services small business computer systems. These systems are fully packaged industry-specific for use by employees of small businesses with little or no previous computer experience. The systems are primarily marketed to automotive parts wholesalers, automotive warehouse distributors, retail hardware dealers, independent tire dealers, and dentists.

Divisions:

Retail Hardgoods Division
Automotive Division
Dental Division
Customer Services Division
Information Services Division

Subsidiaries:

TSC Leasing Corporation

Triad Business Systems Ltd.
Australia

Triad Systems Canada, Ltd.
Toronto, Ontario, Canada

TRIDEX Systems, Ltd.
Ealing, London, England

Transfer Agent(s):

Manufacturers Hanover Trust Company
50 California Street
San Francisco, California 94111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRSC (NASDAQ)

Number of Employees:

1990	1,407	1987	1,355
1989	1,373	1986	1,596
1988	1,378		

Plant Footage:

1990	220,000 sq. ft.	1987	50,000
1989	225,000	1986	50,000
1988	245,000		

Sales & Earnings

		Net Sales & Serv. Rev.		Net Income ‡
1990	$	137,176,000	$	3,581,000
1989		138,386,000		5,695,000
1988		127,410,000		8,315,000
1987		117,268,000		6,427,000
1986		111,676,000		3,181,000

	No. of Com Shares ≠		Earn. per Share ‡ ≠
1990	13,325,000	$	0.31
1989	9,005,000		0.63
1988	7,890,000		0.93
1987	7,903,000		0.77
1986	7,697,000		0.41

‡ Including extraordinary gain of $509,000 ($0.06 per share) in 1987.
≠ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

		Total Equity		Equity Per Share ≠
1990	$	(28,988,000)	$	—
1989		(34,478,000)		—
1988		82,509,000		10.46
1987		74,337,000		9.41
1986		66,208,000		8.60

( ) Deficiency
≠ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Sept. 30		1990		1989
Revenues				
Systems	$	63,813	$	70,849
Services		73,363		67,537
Leasing		7,511		9,610
Total income	$	144,687	$	147,996
Cost of sales & serv. *		73,321		74,426
Expenses				
Marketing		36,247		38,953
Prod. develop.		8,025		8,495
Gen. & adm.		9,342		10,170
Other expense (income)		(2,100)		9,420
Interest expense		13,993		1,819
Other expense		84		482
Gain from sale of prop.		—		(5,760)
Inc. bef. taxes	$	5,775	$	9,991
Income taxes		2,194		4,296
Net Income	$	3,581	$	5,695

* Included in Costs and Expenses, Depreciation and Amortization: $9,467,000 in 1990 and $10,723,000 in 1989.

Assets
(000's)

As of Sept. 30		1990		1989
Cash & cash equivs.	$	10,659	$	8,520
Short-term invest.		—		1,001
Accts. recvb., net		9,184		9,880
Invest. in leases		5,689		5,024
*Inventories		6,317		9,150
Deferred inc. taxes		4,099		5,463
Prepaid expenses		4,835		6,663
Current Assets	$	40,783	$	45,701
Service parts		3,120		4,221
≠Fixed assets		27,651		28,997
Investment in leases		21,081		19,484
Other assets		13,373		24,599
Land for resale		26,840		25,381
Total Assets	$	132,848	$	148,383

Liabilities
(000's)

Long-term debt, curr.	$	1,165	$	1,352
Accts. payable		5,838		7,821
Accrued emp. comp.		7,824		9,990
Other curr. liab.		11,384		13,316
Curr. Liabilities	$	26,211	$	32,479
Long-term debt		103,175		117,353
Deferred inc. taxes		27,638		27,640
Other liabilities		4,812		5,389
+ Common stock & add. paid-in capital		1,968		304
Retained earnings (deficit)		(30,806)		(34,782)
Treasury stock		(150)		—
Total Liabilities & Shareholders' Equity	$	132,848	$	148,383

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation.
+ $0.001 par value.

Statistical Summary

% Income bef. Taxes to Revenues		3.99		6.75
% Net Income to Revenues		2.47		3.85
Working Capital	$	14,572,000	$	13,222,000
Current Ratio		1.56		1.41
Shareholders' Equity (Deficiency)	$	(28,988,000)	$	(34,478,000)

Trion, Inc.

P.O. Box 760
101 McNeill Road
Sanford, North Carolina 27331-0760
(919) 775-2201
FAX (919) 774-8771

Officers: Hugh E. Carr, chairman & chief executive officer; Gary R. Long, president & chief operating officer; William P. Glaser, senior vice president; Gary E. Cox, v.p.-sales;

Trion, Inc.

John M. Grant, v.p.-international & managing director-Trion, Ltd.; Don F. Schreiner, director-quality; Roy G. Stephens, dir. of mfg.; J. Gary Waters, v.p. & controller; Dorothy C. Howell, asst. sec.; Robert H. Petty, director of engineering; Hermann Josef Schaeven, managing director-Trion GmbH; Cecil A. Archibald, gen mgr.-Trion Canada Inc.; David R. Baysek, general sales manager; Kelly O. Carr, sales administrator; Michael P. Womble, director-human resources.

Directors: Hugh E. Carr, Seddon Goode, Jr., Grant R. Meyers, Robert K. Wagner, James E. Heins, Samuel J. Wornom, III, Edwin V. Clarke, Jr.

Areas of Work: Engaged in the design, manufacture, and distribution of electronic air cleaners. Most of the company's business is related to products which help improve the quality of indoor air and conserve energy. Major markets include homes and apartments, industrial complexes, commercial buildings and ships.

Division:

Tepco Division
Sanford, North Carolina
Electronic air cleaners

Subsidiaries:

Trion Ltd.
Brunel Gate
West Portway Industrial Estate
Andover, Hampshire, England

Trion Ganada, Inc.
Kitchener, Ontario, Canada

Trion GmbH
Cologne, West Germany

Transfer Agent(s):

First Union National Bank
Charlotte, North Carolina

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRON (NASDAQ)

Number of Employees:

1990	290	1987	461
1989	350	1986	397
1988	476		

Plant Footage:

1990	339,000 sq. ft.	1987	311,000
1989	339,000	1986	311,000
1988	339,000		

Sales & Earnings

	Revenues	Net Income
1990	$ 38,792,000	$ (3,997,000)
1989	45,839,000	1,360,000
1988	52,174,000	3,603,000
1987	40,621,000	2,747,000
1986	30,113,000	2,163,000

	No. of Com Shares #	Earn. per Share #
1990	6,275,087	$ —
1989	6,224,683	0.22
1988	6,175,688	0.58
1987	6,102,153	0.45
1986	6,092,010	0.36

(Loss)
Based on the average number of common shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1990	1989
Engineered prods.	$ 9,519,000	$ 11,066,000
Consumer prods.	17,901,000	21,879,000
Foreign operations	11,314,000	12,597,000
Total	$ 38,734,000	$ 45,542,000

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1990	$ 0.090	—	—
1989	0.088	—	3-for-2
1988	0.077	—	—
1987	0.065	—	5-for-4
1986	0.057	—	—

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 15,919,000	$ 2.54
1989	19,678,000	3.14
1988	19,077,000	3.07
1987	15,799,000	2.58
1986	13,070,000	2.15

† Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 38,734,000	$ 45,542,000
Other income	58,000	297,000
Total income	$ 38,792,000	$ 45,839,000
Cost of sales	31,398,000	32,812,000
Expenses	11,203,000	10,075,000
Interest expense	891,000	919,000
Inc. (loss) bef. taxes	$ (4,700,000)	$ 2,033,000
Income taxes (credit)	(703,000)	673,000
Net Income (Loss)	$ (3,997,000)	$ 1,360,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,340,000 in 1990 and $1,308,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equivalents	$ 355,000	$ 468,000
Accts. receiv., net	8,910,000	10,188,000
*Inventories	10,976,000	14,977,000
Prepaid expenses & other current assets	2,360,000	1,948,000
Current Assets	$ 22,601,000	$ 27,581,000
#Fixed assets	9,143,000	8,477,000
Total Assets	$ 31,744,000	$ 36,058,000

Liabilities

Note payable	$ 2,800,000	$ 4,098,000
Long-term debt, curr.	353,000	300,000
Accts. payable & accruals	5,129,000	4,886,000
Income taxes	101,000	28,000
Curr. Liabilities	$ 8,383,000	$ 9,312,000
Long-term debt	6,749,000	6,660,000
Deferred inc. taxes	693,000	408,000
+Common stock	3,138,000	3,131,000
Add. paid-in capital	924,000	901,000
Retained earnings	11,203,000	15,765,000
For. curr. trans. adjust.	654,000	(119,000)
Total Liabilities & Shareholders' Equity	$ 31,744,000	$ 36,058,000

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	4.46
% Net Income to Sales	—	2.99
% Net Income to Equity	—	6.91
Sales to Inventories	3.53	3.04
Debt to Equity	0.62	0.56
Working Capital	$ 14,218,000	$ 18,269,000
Current Ratio	2.70	2.96
Shareholders' Equity	$ 15,919,000	$ 19,678,000

TRW Inc.

1900 Richmond Road
Cleveland, Ohio 44124-3760
(216) 291-7000
FAX (216) 291-7629

Officers: Joseph T. Gorman, chairman, president & chief executive officer; Edsel D. Dunford, exec. v.p.-Space and Defense; Stuart M. Frey, v.p.-Automotive Technical Affairs; Carl G. Miller, v.p. & controller; Peter S. Hellman, exec. v.p. & chief financial officer; Timothy W. Hannemann, group v.p.-electronic systems; Robert J. Kohler, group v.p.-Avionics & Surveillance; John P. Stenbit, group v.p.-systems integration; Daniel S. Goldin, group v.p.-space and technology; George L. Schneider, group v.p.; Donald L. Jacobs, v.p. & deputy general mgr.-Internal Operations-Space & Defense; Chester O. Macey, group v.p.-steering systems; Adolf Mueller, group v.p.; William B. Lawrence, exec. v.p.-Planning, Technology & Government Affairs; Martin A. Coyle, exec v.p.-general counsel & secretary; Howard V. Knicely, exec. v.p.; D. Van Skilling, exec. v.p. & gen. mgr.-Information & Services; Robert M. Hamje, chief investment officer.

Directors: Ruben F. Mettler, Robin W. Adam, Charles T. Duncan, Martin Feldstein, Clifton C. Garvin, Jr., Joseph T. Gorman, E. Bradley Jones, William F. Kieschnick, William S. Kiser, P. Roy Vagelos, John S. Foster, Jr., Karen N. Horn.

Areas of Work:

Automotive

A range of steering, engine, safety, hydraulic, chassis, electrical, electronic, and other parts for passenger cars, trucks, buses, and off-highway vehicles, sold to original equipment manufacturers and a variety of replacement parts distributors.

Products include manual and power rack and pinion steering gears, occupant safety systems, engine valves, hydraulic motors, hydraulic truck and off-highway vehicle steering systems, suspension systems, electronic monitoring and control systems, electromechanical assemblies, stud welding systems, and a service line of cars and trucks accessories, tools and car care products.

Space & Defense

Computer-based and analytical services, including software systems and analytical services for space and defense, and rapid prototyping software systems that allow customers to determine through computer modeling whether a software system will meet their needs before it is designed.

Electronic systems, equipment, and services for defense and space applications, related research and analysis, and software and support services.

Spacecraft, including the design and manufacture of spacecraft equipment, propulsion subsystems, electro-optical and instrument systems, spacecraft payloads, high-energy lasers and laser technology and other high-reliability components.

Information systems and services, including computer-based consumer and commercial credit information and real estate credit information.

Other

Solids control equipment and services sold primarily for use in oil and gas drilling, on-site environmental waste reduction and clean-up services, and coal combustion systems. Products and services are distributed directly to end users and, to a lesser extent, through independent distributors.

Space & Defense

TRW Avionics & Surveillance
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Vehicle Safety Systems Inc.
4505 W. 26 Mile Road
Washington, Michigan 48094-9732
(313) 781-7200

ESL Incorporated
495 Java Drive
Sunnyvale, California 94086
(408) 738-2888

Sunnyvale Laboratory
1180 Kern Avenue
Sunnyvale, California 94086
(408) 245-5040

Military Electronics & Avionics Division
One Rancho Carmel
San Diego, California 92128
(619) 592-3000

Systems Development Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

System Development Division
7600 Colshire Drive
McLean, Virginia 22102
(703) 734-6000

Systems Engineering & Development Division
One Space Park
Redondo Beach, California 90278
(213) 217-3003

TRW Electronic Systems Group
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Milstar Payload Program
One Space Park
Redondo Beach, California 90278-1001
(213) 536-8400

Space Communications Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Systems Integration Group
12900 Fair Lakes Parkway
Fairfax, Virginia 22033
(703) 968-1000

Command Support Division
12900 Fair Lakes Parkway
Fairfax, Virginia 22033
(703) 968-1700

Systems Division
2750 Prosperity Avenue
Fairfax, Virginia 22031
(703) 876-8200

TRW Space & Technology Group
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Applied Technology Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Ballistic Missiles Division
P.O. Box 1310
San Bernardino, California 92402-1310
(213) 535-4321

Capistrano Test Site
P.O. Box 10
San Clemente, California 92672
(714) 492-4157

TRW Pressure Systems Inc.
P.O. Box 6999
Los Angeles, California 90022
(213) 685-4520

Defense Systems Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Engineering & Test Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Federal Systems Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

Military Space Systems Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321

TRW Components International Inc.
One Space Park
Redondo Beach, California 90278
(213) 535-4321

TRW Systems Overseas Inc.
12 Avenue Franklin Roosevelt
1050 Brussels, Belgium
2.640.0585

Other

TRW Environmental Services
15311 Vantage Parkway West #300
Houston, Texas 77032

TRW Coal Combustion Business Unit
2111 Rosecrans Blvd.
El Segundo, California 90245

Information Systems & Services

TRW Information Systems
200 Oceangate, Suite 1200
Long Beach, California 90802
(213) 590-7500

Provides consumer and commercial credit reporting services on a nationwide basis to credit-granting organizations. Markets a broad range of information services to the real estate and financial industries.

Real Estate Information Division
200 Oceangate, Suite 1200
Long Beach, California 90802
(213) 590-7500

Computerized on-line access to title, tax, and real property information to title companies and lending institutions.

Automotive

TRW Steering Systems
1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7270

Steering & Suspension Division
34201 Van Dyke Avenue
Sterling Heights, Michigan 48077
(313) 977-1000

Steering linkage, suspension ball joints and assemblies, manual and power rack and pinion steering gears.

TRW Engine Components & Aftermarket
1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7000

Valve Division
1455 East 185th Street
Cleveland, Ohio 44110
(216) 383-2121

Engine valves, valve seat inserts, valve retainers, valve retainer locks, valve rotating mechanisms, and forged pistons.

TRW Occupant Restraints & Controls
1900 Richmond Road
Cleveland, Ohio 44124
(216) 291-7000

Chilton Corporation

Involved in consumer credit reporting, accounts receivable management, and other related business.

Transfer Agent(s):

TRW Inc.
Cleveland, Ohio

First Chicago Trust Company of New York
New York, New York

Stock Exchange(s): New York, Midwest, Pacific, Philadelphia, London, Frankfurt.

Ticker Symbol: TRW

Number of Employees:

1990	75,600	1987	77,931
1989	74,300	1986	78,556
1988	73,200		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 8,169,000	$ 208,000
1989	7,340,000	263,000
1988	6,982,000	261,000
1987	6,821,000	243,000
1986	6,036,000	217,700

	No. of Com. Shares †	Earn. per Share ≠
1990	60,800,000	$ 3.39
1989	60,600,000	4.31
1988	60,200,000	4.29
1987	59,700,000	4.01
1986	58,900,000	3.62

+ Of continuing operations only.

† Adjusted to reflect stock split.

≠ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990 (000's)	%	1989 (000's)	%
Automotive	$4,079,000	50 %	$3,436,000	47 %
Space & defense	3,311,000	41	3,185,000	43
Information syst. & serv.	760,000	9	705,000	10
Other	19,000	—	14,000	—
Total	$8,169,000	100 %	$7,340,000	100 %

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.74	—	—
1989	1.72	—	—
1988	1.63	—	—
1987	1.60	—	2-for-1
1986	1.525	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity † (000's)	Equity Per Share +
1990	$ 1,893,000	$ 31.11
1989	1,734,000	28.60
1988	1,548,000	25.70
1987	1,397,000	23.41
1986	1,173,900	19.93

† After allowing for serial preference stock II at aggregate involuntary liquidation price

+ Adjusted to reflect stock split

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 8,169,000	$ 7,340,000
Cost of sales	6,447,000	5,779,000
Expenses	1,171,000	1,036,000
Interest expense	187,000	138,000
Other expense (income)	21,000	(12,000)
Income before taxes	$ 343,000	$ 399,000
Income taxes	135,000	136,000
Net Income	$ 208,000	$ 263,000

* Included in Costs and Expenses, Depreciation and Amortization: $452,000,000 in 1990 and $400,000,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equivs	$ 72,000	$ 114,000
Accts. receiv., net	1,309,000	1,431,000
*Inventories	530,000	480,000
Prepaid expenses	82,000	67,000
Deferred inc. taxes	244,000	203,000
Current assets	$ 2,237,000	$ 2,295,000
# Fixed assets	2,215,000	1,954,000
Intangibles	780,000	759,000
Other assets	323,000	251,000
Total Assets	$ 5,555,000	$ 5,259,000

Liabilities
(000's)

	1990	1989
Short-term debt	$ 432,000	$ 459,000
Long-term debt, curr.	134,000	34,000
Accrued compensation	308,000	304,000
Accts. payable	528,000	456,000
Other accruals	437,000	443,000
Dividends payable	28,000	26,000
Income taxes	80,000	72,000
Curr. Liabilities	$ 1,947,000	$ 1,794,000
Long-term liab.	136,000	155,000
Long-term debt	1,042,000	1,063,000
Deferred inc. taxes	485,000	462,000
Minority interest	38,000	36,000
+Serial preference stock II	1,000	1,000
++Common stock	38,000	38,000
Add. paid-in capital	185,000	194,000
Retained earnings	1,628,000	1,516,000
Cumulative trans. adjust.	98,000	48,000
Treasury stock	(43,000)	(48,000)
Total Liabilities & Shareholders' Equity	$ 5,555,000	$ 5,259,000

* At lower of cost (LIFO & FIFO) or market

Less accumulated depreciation

+ $2.75 stated value, cumulative: Series 1: $4.40 dividend. Series 3: $4.50 dividend

++ $0.625 par value

Statistical Summary

% Income bef. Taxes to Sales	4.20	5.44
% Net Income to Sales	2.55	3.58
% Net Income to Equity	10.91	15.04
Sales to Inventories	15.41	15.29
Debt to Equity	0.84	0.89
Working Capital	$ 290,000,000	$ 501,000,000
Current Ratio	1.15	1.28
Shareholders' Equity	$ 1,907,000,000	$ 1,749,000,000

Tyco Laboratories, Inc.

One Tyco Park
Exeter, New Hampshire 03833
(603) 778-7331
FAX: (603) 778-7700

Officers: John F. Fort, chief exec. officer; L. Dennis Kozlowski, president & chief operating officer; Joshua M. Berman, secretary; Irving Gutin, sr. v.p.; Richard D. Power, v.p. & chief financial officer; John C. Armacost, v.p.; Richard L. Dunn, treasurer.

Directors: John F. Fort, Joshua M. Berman, Philip M. Hampton, Robert A.G. Monks, Stephen W. Foss, Richard B. Nichols, W. C. Westmoreland, Peter D. Scanlon, L. Dennis Kozlowski.

Areas of Work: Manufactures fire protection systems, a wide range of fittings, pipe, valves, hangers, electrical conduit, electrical components, and other industrial products; precision multi-layer printed circuit boards for computers and telecommunications; press fit backplane board and connectors; underwater communications and power cable; vacuum metalized plastic films; polyethylene film and plastic products; deep-drawn metal parts for writing instruments.

Divisions and Subsidiaries:

Fire Protection/Flow Control

Grinnell Corporation
Exeter, New Hampshire

Electrical & Electronic Components Group

Atlantic Coast Electronics Division
2681 Northeast 4th Avenue
Pompano Beach, Florida 33064
(305) 943-7300

Atlantic Backplane Company
Fort Lauderdale, Florida

Tyco Backplane Company
Stafford Springs, Connecticut

Tyco Engineered Systems, Inc.
Manchester, Connecticut

Tyco Printed Circuit Group
Stafford, Connecticut

North American Printed Circuits Division
Stafford, Connecticut

Simplex Wire and Cable Company
P.O. Box 479
Portsmouth, New Hampshire
(603) 436-6100

Packaging Materials

Armin Corporation
301 West Side Avenue
Jersey City, New Jersey 07305
(201) 432-8032

Ludlow Corporation
Exeter, New Hampshire

Atcor, Inc.
Manufactures and distributes electrical conduit, pipe, fire protection products, and other electrical components.

Acquisition:

Wormald International Limited
A fire protection system contractor, a manufacturer of various fire protection products and a distributor of such products.

Transfer Agent(s):

Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): New York

Ticker Symbol: TYC

Number of Employees:

1990	N.A.	1987	10,600
1989	11,091	1986	10,000
1988	N.A.		

N.A. - Not Available

Sales & Earnings

	Net Sales ‡	Net Income †
1990	$ 2,102,740,000	$ 119,119,000
1989	1,971,093,000	91,261,000
1988	1,574,644,000	66,461,000
1987	1,061,788,000	26,802,000
1986	741,171,000	37,500,000

	No. of Com Shares #	Earn. per Share † #
1990	41,020,000	$ 2.90
1989	39,470,000	2.31
1988	34,420,000	1.93
1987	34,740,000	0.77
1986	34,620,000	1.09

‡ Of continuing operations only.

† Including extraordinary gain of $2,284,000 ($0.07 per share) in 1986.

Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business
(000's)

	1990	1989
Fire protection & flow control prods.	$ 1,379,910	$ 1,234,330
Electrical supplies & electronic components	386,282	403,251
Packaging materials	336,548	333,512
Total	$ 2,102,740	$ 1,971,093

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.31	—	—
1989	0.27	—	—
1988	0.24	—	2-for-1
1987	0.20	—	—
1986	0.20	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 607,374,000	$ 14.81
1989	490,883,000	12.44
1988	293,012,000	8.51
1987	235,399,000	6.78
1986	210,303,000	6.07

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended May 31	1990	1989
Net sales	$ 2,102,740,000	$ 1,971,093,000
Cost of sales	1,603,054,000	1,530,779,000*
Expenses	271,256,000	249,106,000
Interest expense	41,256,000	45,044,000
Income before taxes	$ 187,174,000	$ 146,164,000
Income taxes	68,055,000	54,903,000
Net Income	$ 119,119,000	$ 91,261,000

* Included in Costs and Expenses, Depreciation and Amortization: $57,749,000 in 1990 and $52,261,000 in 1989.

Assets

As of May 31	1990	1989
Cash	$ 15,845,000	$ 9,898,000
Receivs., net	362,343,000	339,729,000
Contracts in process	18,455,000	28,134,000
*Inventories	316,415,000	336,704,000
Prepaid expenses	19,366,000	13,945,000
Current Assets	$ 732,424,000	$ 728,410,000
‡Fixed assets	303,669,000	287,109,000
Cost in exc. of assets acq.	362,257,000	365,514,000
Other assets	18,206,000	18,389,000
Total Assets	$ 1,416,556,000	$ 1,399,422,000

Liabilities

	1990	1989
Loans payable & long-term debt, curr.	$ 119,492,000	$ 32,050,000
Accts. payable	150,787,000	145,110,000
Accruals	159,100,000	186,095,000
Contracts in process	17,042,000	12,522,000
Income taxes	49,112,000	41,717,000
Deferred income taxes	17,118,000	18,947,000
Curr. Liabilities	$ 512,651,000	$ 436,441,000
Long-term debt:		
Loans payable	80,000,000	254,500,000
Senior notes	49,500,000	49,500,000
Senior subord. debentures	125,000,000	125,000,000
Industrial rev. bonds	15,276,000	16,088,000
+Common stock	21,018,000	20,995,000
Add. paid-in capital	127,090,000	116,724,000
Retained earnings	459,266,000	353,164,000
Total Liabilities & Shareholders' Equity	$ 1,416,556,000	$ 1,399,422,000

* At lower of cost (FIFO) or market.
‡ Less accumulated depreciation
+ $0.50 par value

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	8.90	7.42
% Net Income to Sales	5.66	4.63
% Net Income to Equity	19.61	18.59
Sales to Inventories	6.65	5.85
Debt to Equity	0.64	0.97
Working Capital	$ 219,773,000	$ 291,969,000
Current Ratio	1.43	1.67
Shareholders' Equity	$ 607,374,000	$ 490,883,000

UNC Incorporated

175 Admiral Cochrane Drive
Annapolis, Maryland 21401-7394
(301) 266-7333
FAX (301) 266-5706

Officers: Dan A. Colussy, president & chief executive officer; John J. Bonasia, sr. v.p. & chief operating officer; Richard H. Lange, v.p., general counsel & secretary; Paul X. McLain, v.p.-financial controls; George C. Frazier, corporate controller; Robert L. Pevenstein, v.p.-finance & chief financial officer; Gregory M. Bubb, treasurer.

Directors: Dan A. Colussy, chairman; John K. Castle, William C. Hittinger, James L. Holloway, III, Jack Moseley, George V. McGowan, Lawrence A. Skantze.

Areas of Work: The company's operations are conducted within one business segment which includes manufacturing and remanufacturing engine and airframe parts, overhauling aircraft accessories, overhauling aircraft engines and providing contract aviation services to the military. Operates through two business segments: Aerospace/Aviation provides precision fabrication of jet engine and aircraft components, turbine engine overhaul services for business and military aircraft and commuter and regional airlines. The Technology segment includes the production and fabrication of power units used for naval submarines, provides pilot training for the U/S. Arned Services and line maintenance and operational support for military training aircraft, and engineering, reclamation and remedial action services.

Divisions and Subsidiaries:

Tri-Industries, Inc.
Terre Haute, Indiana
(812) 234-1591

Alloy Spot Welders
West Los Angeles, California
(213) 272-0297

Chemical Dynamics Incorporated
Weatherford, Texas

Airwork Corporation
Millville, New Jersey
(609) 825-6000

Pacific Airmotive Corporation
Burbank, California
(818) 842-5171

Technology:

UNC Support Services

UNC Analytical Services
Albuquerque, New Mexico
(505) 883-6901

UNC Naval Products
Uncasville, Connecticut
(203) 848-1511

UNC Geotech
Grand Junction, Colorado
(303) 242-8621

UNC Reclamation
Mulberry, Florida
(813) 428-1457

UNC Remediation
Grand Junction, Colorado
(303) 243-8970

Tranfer Agent(s):

Manufacturers Hanover Trust Company
Securities Holder Relations Dept.
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: UNC

Number of Employees:

1990	4,612	1987	4,260
1989	5,014	1986	6,295
1988	3,768		

Plant Footage:

1990	N.A.	1987	1,070,070
1989	1,240,000 sq. ft.	1986	950,070
1988	1,132,560		

N.A. Not Available

Sales & Earnings

	Net Sales +	Net Income †
1990	$ 356,255,000	$ 5,091,000
1989	305,240,000	11,000
1988	251,644,000	23,850,000
1987	206,274,000	18,077,000
1986	138,786,000	17,889,000

	No. of Com. Shares ‡	Earn per Share † ‡
1990	17,082,000	$ 0.30
1989	16,994,000	—
1988	16,822,000	1.42
1987	16,132,000	1.12
1986	17,545,000	1.02

+ Of continuing operations only.
† Including extraordinary gains of $7,203,000 ($0.44 per share) in 1987 and $7,375,000 ($0.42 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 136,488,000	$ 7.99
1989	131,216,000	7.72
1988	134,059,000	7.97
1987	108,078,000	6.70
1986	97,675,000	5.57

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Net sales & oper. revenues	$ 356,255	$ 305,240
Cost of sales	289,873	247,850
Expenses	44,038	42,481
Interest income	(625)	(761)
Interest expense	15,925	14,833
Prov. for plant consol.	—	4,422
Other expense (income)	319	(602)
Inc. (loss) bef. taxes	$ 6,725	$ (2,983)
Income taxes	1,506	433
Inc. (loss)-cont. oper.	$ 5,219	$ (3,416)
Inc. (loss)-discont. oper.	(128)	3,427
Net Income	$ 5,091	$ 11

* Included in Costs and Expenses, Depreciation and Amortization: $12,345,000 in 1990 and $15,089,000 in 1989.

Assets
(000's)

As of Dec.	1990	1989
Cash & short-term invest.	$ 3,444	$ 2,341
Accts. receivs., net	69,477	94,733
Unbilled costs on contracts	7,347	22,440
*Inventories	89,369	86,904
Other curr. assets	18,692	4,816
Current Assets	$ 188,329	$ 211,234
Net assets - discont. oper.	44,046	9,412
‡Fixed assets	56,417	144,440
Costs in exc. of assets acq.	101,117	100,111
Other assets	20,071	16,509
Total Assets	$ 409,980	$ 481,706

Liabilities
(000's)

Short-term debt	$ —	$ 2,200
Long-term debt, curr.	5,850	949
Accts. payable	23,487	24,226
Income taxes	376	142
Accruals & other curr. liab.	28,350	55,499
Curr. Liabilities	$ 58,063	$ 83,016
Long-term debt	181,121	229,924
Deferred inc. taxes	2,800	1,633
Other liabilities	31,508	35,917
+Common stock	3,563	3,553
Add. paid-in capital	120,462	120,291
Retained earnings	21,213	16,122
Treasury stock	(8,750)	(8,750)
Total Liabilities & Shareholders' Equity	$ 409,980	$ 481,706

* At lower of cost (FIFO and average) or market.
≠ Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

% Net Income to Equity	3.73	0.01
Debt to Equity	1.37	1.78
Working Capital	$ 130,266,000	$ 128,218,000
Current Ratio	3.24	2.54
Shareholders' Equity	$ 136,488,000	$ 131,216,000

Unisys Corporation

Township Line and Union Meeting Roads
P.O. Box 500
Blue Bell, Pennsylvania 19424-0001
(215) 986-4011
FAX: (215) 986-6850

Officers: James A. Unruh, chairman & chief executive officer; Reto Braun, president & chief operating officer; Frederick F. Jenny, sr. v.p.; G. Graham Murphy, sr. v.p.; Jack A. Blaine, v.p.; Fred R. Meier, v.p.; Stefan C. Riesenfeld, v.p. & corp. treasurer; Leroy W. Beers, v.p.; Eric A. Croson, v.p. & corp. controller; John J. Holton, v.p.; George R. Gazerwitz, v.p.; Dewaine C. Osman, v.p.; J. Carl Masi, v.p.; Thomas E. McKinnon, v.p.; John W. Perry, v.p.; Harry B. Traylor, v.p.; Jack F. McHale, v.p.; Edward A. Blechschmidt, v.p.; Frank G. Brandenberg, v.p.; James L. Murtaugh, v.p.; Albert F. Zettlemoyer, v.p.; George T. Robson, v.p. & chief financial officer; I. Charles Beauchamp, general auditor; Bobette Jones, asst. secretary; Ronald C. Anderson, asst. secretary; Jack R. Silverberg, asst. treasurer; Robert S. Manturuk, asst. treasurer; Peter S. Noll, asst. treasurer.

Directors: James A. Unruh, Reto Braun, William G. Milliken, James L. Duderstadt, Kenneth A. Macke, Alan E. Schwartz, Arthur R. Seder, Jr., Robert McClements, Jr., Alice M. Rivlin, Donald V. Seibert, Melvin R. Goodes.

Areas of Work: Engaged in designing, engineering, manufacturing, marketing and supporting electronics-based information systems, including commercial information systems and defense and other systems for government customers, and related equipment and services, including software. Principal products and services include processors and peripherals; entry systems and workstations; software and related services; custom products and services; and equipment maintenance services. Included with processors and peripherals are a complete line of small, medium and large mainframes and related communication processors and peripheral products, such as printers, storage devices and document handling equipment. Entry systems and workstations include departmental systems, intelligent workstations, UNIX equipment, terminals and personal computers. Software and related services consist of application and systems software, along with related professional services. Custom products and services include specialized information processing systems and services marketed mainly to government defense agencies.

Subsidiaries:

Unisys Canada Inc.
Canada

Convergent, Inc.
Delaware

Timeplex, Inc.
Delaware

Unisys International Company
Delaware

Unisys Finance Corporation
Michigan

Unisys Australia Limited
Michigan

Unisys Espana S.A.
Spain

Unisys (Schweiz) A.G.
Switzerland

Unisys Belgium
Belgium

Unisys Deutschland G.m.b.H.
West Germany

Unisys Electronica Ltda.
Brazil

Unisys France
France

Unisys Italia S.p.A.
Italy

Unisys Limited
England

Unisys Nederland N.V.
Netherlands

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): New York*, Midwest*, Pacific*, Cincinnati, London, Amsterdam, Antwerp, Basel, Brussels, Geneva, Lausanne, Zurich *Listed

Ticker Symbol: UIS

Number of Employees:

1990	75,300	1987	92,500
1989	82,300	1986	98,300
1988	93,000		

Plant Footage:

1990	24,345,000 sq. ft.	1987	22,000,000
1989	N.A.	1986	24,300,000
1988	23,633,000		

N.A. - Not Available

Sales & Earnings

	Net Sales * (000's)	Net Income (000's)
1990	$ 10,111,300	$ (436,700)
1989	10,096,900	(639,300)
1988	9,935,200	680,600
1987	9,732,000	578,000
1986	7,431,200	(43,400)

	No. of Com. Shares ‡	Earn. per Share ‡
1990	159,683,000	$ —
1989	158,366,000	—
1988	160,359,000	3.58
1987	151,023,000	3.15
1986	137,419,000	—

(Loss)
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Mainframes & peripherals	$ 2,918,800	$ 2,962,900
Depart. servs. & workstations	1,407,400	1,557,500
Software & related services	2,004,300	1,826,900
Equipment maintenance	1,989,600	1,947,400
Custom products & services	1,605,900	1,635,700
Other	185,300	166,500
Total	$ 10,111,300	$ 10,096,900

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.50	—	—
1989	1.00	—	—
1988	0.98	—	—
1987	0.90 2/3	—	3-for-1
1986	0.86 2/3	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity † (000's)	Equity Per Share ‡
1990	$ 1,907,000	$ 11.79
1989	2,452,900	15.49
1988	3,526,100	22.24
1987	3,118,300	20.90
1986	2,396,600	17.31

† After allowing for preferred stock at liquidation value.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 6,819,100	$ 6,965,500
Rentals & service revenue	3,292,200	3,131,400
Total income	$ 10,111,300	$ 10,096,900
Cost of sales	4,558,300	4,752,100
Cost of rentals & service	2,042,100	2,064,000
Expenses	3,466,900	3,491,000
Interest expense	446,700	425,700
Other income	(65,400)	(81,600)
Loss bef. taxes	$ (337,300)	$ (554,300)
Income taxes	99,400	85,000
Net Loss	$ (436,700)	$ (639,300)

* Included in Costs and Expenses, Depreciation $528,900,000 in 1990 and $533,500,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 403,400	$ 9,200
Accts. & notes receiv., net	2,366,000	2,697,600
*Inventories	1,457,800	1,760,900
Other curr. assets	642,300	615,300
Current Assets	$ 4,869,500	$ 5,083,000
Long-term receiv.	778,100	930,400
Rental equip.	219,000	219,200
≠Fixed assets	1,709,000	1,855,300
Cost in exc. of assets acq.	1,517,800	1,579,500
Investments	272,500	249,900
Other assets	922,700	833,700
Total Assets	$ 10,288,600	$ 10,751,000

Liabilities
(000's)

Notes payable	$ 696,800	$ 451,800
Long-term debt, curr	538,700	264,400
Accts payable	1,320,500	1,202,000
Other accruals	1,277,500	1,166,700
Dividends payable	22,300	61,800
Income taxes	353,800	390,300
Curr Liabilities	$ 4,209,600	$ 3,537,000
Long-term debt	2,494,600	3,247,800
Deferred inc taxes	99,000	84,400
+Preferred stock	1,578,400	1,428,900
++Common stock	810,400	797,300
Add paid-in capital	423,900	416,300
Retained earnings	900,800	1,529,500
Treasury stock	(4,600)	(21,500)
Currency translation adjustment	(223,500)	(268,700)
Total Liabilities Shareholders' Equity	$ 10,288,600	$ 10,751,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value Series A $3.75 cumulative; Series B & Series C 8-7/8% cumulative.
++ $5 par value

Statistical Summary

Debt to Equity	1.07	1.02
Working Capital	$ 659,900,000	$ 1,546,000,000
Current Ratio	1.16	1.44
Shareholders' Equity	$ 3,485,400,000	$ 3,881,800,000

United Industrial Corporation

18 East 48th Street
New York, New York 10017
(212) 752-8787
FAX (212) 838-4629

Officers: Bernard Fein, chairman of the board & president; Howard M. Bloch, secretary & treasurer; Michael P. Coppins, asst. treasurer; Edward A. Smolinski, asst. secretary

Directors: Bernard Fein, chairman; Howard M. Bloch; Myron Simons, Edward M. Melton, Rick S. Bierman

Areas of Work: Designs, manufactures and markets electronics, aerospace systems, and weaponry for the United States and its allies, energy systems for industries and utilities, and specialized plastic products.

Subsidiaries:

AAI Corporation
Hunt Valley, Maryland
Engaged in the development and manufacture of automatic test equipment for aircraft; weapons, ammunition and fuzing; material handling equipment; simulators for electronic warfare trianing (SEWT); and energy systems.

Neo Products Company
Chicago, Illinois
Producer of custom thermoplastic parts for the merchandisers of major appliances.

Detroit Stoker Company
Monroe, Michigan
Engaged in the manufacture and sale of industrial stokers, combustion systems, pneumatic and hydraulic conveying systems, incinerator equipment, rotary seal feeders, shredders, grapples, and replacement parts.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Bank of America, N.T. & S.A.
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): New York

Ticker Symbol: UIC

Number of Employees:

1990	2,900	1987	4,660
1989	3,400	1986	4,050
1988	4,200		

Plant Footage:

1990	1,378,088 sq. ft.	1987	1,461,671
1989	1,480,356	1986	1,370,766
1988	1,451,571		

Sales & Earnings

	Net Sales	Net Income
1990	$ 253,820,000	$ 12,091,000
1989	280,783,000	8,004,000
1988	314,986,000	16,869,000
1987	297,501,000	14,302,000
1986	272,508,000	(9,174,000)

	No. of Com. Shares +	Earn. per Share #
1990	12,243,348	$ 0.96
1989	13,009,000	0.61
1988	13,093,000	1.29
1987	13,186,000	1.07
1986	13,325,000	—

(Loss)
+ Adjusted to reflect stock dividend.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1990	1989
Defense	$ 204,473,000	$ 234,825,000
Energy systems	45,468,000	39,967,000
Plastic products	3,879,000	5,991,000
Total	$ 253,820,000	$ 280,783,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.64	—	—
1989	0.64	—	—
1988	0.64	—	—
1987	0.64	—	—
1986	0.58	10%	—

‡ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 101,267,000	$ 8.27
1989	103,491,000	7.96
1988	104,868,000	8.01
1987	97,569,000	7.40
1986	93,267,000	7.00

† Adjusted to reflect stock dividend.

Income Account*

Year ended Dec. 31	1990	1989
Net sales	$ 253,820,000	$ 280,783,000
Cost of sales	188,365,000	207,837,000
Write-off of claim recev	—	9,992,000
Expenses	51,055,000	51,781,000
Interest expense (income)	(146,000)	14,000
Other income	3,000	(747,000)
Income bef. taxes	$ 14,543,000	$ 11,906,000
Income taxes	2,452,000	3,902,000
Net Income	$ 12,091,000	$ 8,004,000

* Included in Costs and Expenses, Depreciation and Amortization: $9,496,000 in 1990 and $10,050,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv	$ 1,768,000	$ 2,066,000
Trade recev., net	47,722,000	44,645,000
*Inventories	65,281,000	78,117,000
Note recev., curr	8,540,000	—
Prepaid expenses	5,916,000	4,842,000
Current Assets	$ 129,227,000	$ 129,670,000
#Fixed assets	56,656,000	62,159,000
Other assets	49,345,000	54,019,000
Total Assets	$ 235,228,000	$ 245,848,000

Liabilities

Notes payable	$ 41,225,000	$ 46,530,000
Long-term debt, curr	185,000	410,000
Accts payable	10,132,000	12,174,000
Accrued payroll	8,642,000	9,332,000
Cust. advances	5,235,000	2,526,000
Other liabilities	9,616,000	9,198,000
Deferred inc. taxes	26,041,000	28,022,000
Curr. Liabilities	$ 101,076,000	$ 108,192,000
Long-term debt	12,479,000	12,662,000
Deferred inc. taxes	20,406,000	21,503,000
+Common stock	14,359,000	14,359,000
Add. paid-in capital	99,377,000	99,377,000
Retained earning	4,406,000	240,000
Treasury stock	(16,875,000)	(10,485,000)
Total Liabilities & Shareholders' Equity	$ 235,228,000	$ 245,848,000

* At lower of cost (LIFO, actual, average, standard) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.73	4.24
% Net Income to Sales	4.76	2.85
% Net Income to Equity	11.94	7.73
Sales to Inventories	3.89	3.59
Debt to Equity	0.53	0.58
Working Capital	$ 28,151,000	$ 21,478,000
Current Ratio	1.28	1.20
Shareholders' Equity	$ 101,267,000	$ 103,491,000

United Technologies Corporation

United Technologies Building

Hartford, Connecticut 06101
(203) 728-7000
FAX (203) 728-7907

Officers: Robert F. Daniell, chairman & chief executive officer; John A. Rolls, exec. v.p. & chief financial officer; William R. Brown, president-Latin American Operations; John A. Cosentino, Jr., president-North American Operations; William F. Paul, sr. v.p.; Thomas J. Fay, sr. v.p.-communications; Frederick C. Flynn, Jr., v.p. & treasurer; F. Mark Granato, v.p.-communications; J. Collin Green, v.p.; David M. Kelly, president-North American Operations; Bernard Hertel, president-Carrier Transicold Div.; Jeffrey L. Kushner, v.p.; Jesse M. Liebman, v.p.-strategic planning; Mark S. Coran, v.p. & controller; Irving B. Yoskowitz, exec. v.p. & general counsel; Brian D. McMahon, president-European Transcontinental Operations; William A. Wilson, sr. v.p., commercial/industrial; Karl J. Krapek, chairman, president & chief exec. officer; Daniel R. Nuzzo, president-Norden Systems; George A. L. David, exec. v.p., & president-commercial/industrial; Frank W. McAbee, Jr., sr. v.p., environmental & business practices; James G. O'Connor, exec. v.p.-Pratt & Whitney Group; Arthur E. Wegner, exec. v.p., & president-aerospace/defense; Selwyn D. Berson, group v.p. & president-commercial engine business, Pratt & Whitney Group; Nicholas T. Pinchuk, president-Asia Pacific Operations; William C. Missimer, group v.p. & pres.-government engine business-Pratt & Whitney Group; Norman R. Bodine, president-Automotive Products Division, UT Automotive; Terry D. Stinson, president-Hamilton Standard; Frederick Hay, president-Components Division, UT Automotive; James G. O'Connor, exec. v.p.-Pratt & Whitney Group; Ralph E. Reins, president-UT Automotive; L. David Caplan, president & chief exec. officer-Pratt & Whitney Canada Inc.; John M. Hammitt, v.p.-information systems; George J. Sanford, Jr., v.p.-corp. purchasing; William H. Trachsel, v.p. & deputy gen. counsel; Jonathan M. Schofield, president-United Technologies International Corp.; Pierre J. Fougeron, president-European & Transcontinental Operations-Otis; Eugene Buckley, president-Sikorsky Aircraft; Karl M. Thomas, group v.p.-operations; Franklyn A. Caine, sr. v.p.-human resources & organization; Robert J. Hermann, v.p.-science & technology; Jean-Pierre Van Rooy, exec. v.p. & chief operating officer; Vernon K. Stait, president-Pacific area operations-Otis.

Directors: Robert F. Daniell*, Chairman; T. Mitchell Ford *, Howard Baker, Jr., Richard S. Smith *, Jacqueline G. Wexler, Antonia H. Chayes, Gerald D. Hines, Robert F. Dee, Charles W. Duncan, Jr., Pehr G. Gyllenhammer, Robert H. Malott *, John S. Reed.

* Member of the Executive Committee

Areas of Work: Vertical-lift aircraft for military and civil operation and precision systems for flight, including environmental engine, air-inlet, and wing-sweep actuator controls; airborne integrated data systems and flight recorders; airborne radar and cockpit displays systems, propellers; solid propellant rocket boosters and motors; liquid-fueled and hybrid rocket engines; space life support, environmental, guidance, and power systems; altitude control thrusters; turbine aircraft engines in a range of power ratings; gas turbines and allied equipment for electrical power generation, industrial process, natural gas transmission, and marine propulsion; computerized diagnostic and control systems for the automotive and other industries; laser welding systems for industry; elevators and escalators; air conditioning, advanced business communication, electronic energy management control and intergrated building systems and services; automotive components and systems.

Divisions and Subsidiaries:

Pratt & Whitney
East Hartford, Connecticut 06108
(203) 565-4321

Otis Group, Inc.
10 Farmspring
Farmington, Connecticut 06032
(203) 674-4000

Hamilton Standard
Bradley International Airport
Winsor Locks, Connecticut 06096
(203) 623-1621

Sikorsky Aircraft
Stratford, Connecticut 06497
(203) 378-6361

Norden Systems, Inc.
Helen Street
Norwalk, Connecticut 06856
(203) 838-4471

United Technologies Research Center
East Hartford, Connecticut 06108
(203) 565-4321

Pratt & Whitney Aircraft of West Virginia, Inc.
P.O. Box 245
Bridgeport, West Virginia 26330
(304) 842-5421

United Technologies International Incorporated
Hartford, Connecticut 06108
(203) 728-7630

Pratt & Whitney Aircraft of Canada Limited (97% owned)
P.O. Box 10
Longueuil, Quebec, Canada
(514) 677-9411

Carrier Corporation
6304 Carrier Parkway
P.O. Box 4808
Syracuse, New York 13221
(315) 424-4711

Engaged in the manufacture and sale of air conditioning equipment and energy processing equipment.

UT Automotive

Manufactures wire harness systems; DC electric motors and actuators; electromechanical/electronic switches and modules; interior trim systems and components; and hydraulic systems and components.

Control Systems

Products and services include automotive emissions test equipment and inspection services; computer-based automotive repair and diagnostic equipment and services; electronic and electromechanical control systems and components.

Missiles and Space Systems

Products and services include space launch systems; processing and refurbishing nonmotor segments of space shuttle's booster; high-technology optical systems; and solid rocket motors for strategic and tactical weapons systems.

Sheller-Globe Corporation

Designs, engineers, manufactures and distributes a wide range of components used as production and replacement parts in cars, trucks and other vehicles and specializes in interior components for such vehicles.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, London, Paris, Frankfurt, Geneva, Basel, Zurich, Brussels, Amsterdam, Lausanne

Ticker Symbol: UTX

Number of Employees:

1990	192,600	1987	190,000
1989	201,400	1986	193,500
1988	186,800		

N.A. - Not Available

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 21,442,000	$ 750,600
1989	19,532,100	702,100
1988	18,000,100	659,100
1987	17,170,200	591,700
1986	15,669,200	72,700

	No. of Com Shares ‡	Earn. per Share ‡
1990	120,844,666	$ 5.91
1989	128,693,058	5.34
1988	130,608,493	5.05
1987	131,026,367	4.52
1986	122,795,258	0.27

+ Of continuing operations only.
‡ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Power	$ 7,291,500	$ 6,991,100
Flight systems	4,033,600	3,781,800
Building syst.	7,988,100	7,244,300
Indust. prods. for auto. & other	2,621,100	1,931,600
Other	32,700	27,400
Eliminations	(183,800)	(236,100)
Total	$ 21,783,200	$ 19,740,100

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.80	—	—
1989	1.60	—	—
1988	1.55	—	—
1987	1.40	—	—
1986	1.40	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 5,343,100	$ 44.10
1989	4,739,400 +	39.14
1988	4,822,400 +	36.88
1987	4,291,000 +	32.90
1986	3,801,400 +	29.14

+ After allowing for preferred stock at aggregate liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 21,442,000	$ 19,532,100
Other income	341,200	208,000
Total income	$ 21,783,200	$ 19,740,100
Cost of sales & services	16,015,200	14,382,200
Expenses	4,115,200	3,767,400
Interest expense	361,600	330,100
Income before taxes	$ 1,291,200	$ 1,260,400
Income taxes	479,100	497,800
Minority interest	61,500	60,500
Net Income	$ 750,600	$ 702,100

* Included in Cost and Expenses, Depreciation: $675,000,000 in 1990 and $590,900,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & short-term invest.	$ 200,800	$ 266,500
Accts. receiv., net	3,813,900	3,455,500
Fut. inc. tax ben.	689,600	597,600
* Inventories	4,044,200	3,911,200
Prepaid expenses	263,700	276,000
Current Assets	$ 9,012,200	$ 8,506,800
Accts. & notes receiv.	573,800	437,900
Other investments	520,600	343,900
≠ Fixed assets	4,396,200	3,951,900
Costs in exc. of assets acq.	700,800	668,000
Prepaid pension costs	714,700	689,700
Total Assets	$ 15,918,300	$ 14,598,200

Liabilities
(000's)

Short-term borrowings	$	342,500	$	1,281,000
Long-term debt, curr.		317,600		298,600
Accts. payable		1,948,300		1,869,000
Accruals		2,353,900		2,120,100
Income taxes		457,700		283,600
Advances on contracts		531,400		523,800
Curr. Liabilities	$	5,951,400	$	6,376,100
Long-term debt		2,901,700		2,013,200
Deferred inc. taxes		352,800		404,400
Other liabilities		964,500		787,800
Minority interest		323,400		276,400
+ Series A ESOP Pref. stock		859,600		660,000
ESOP notes receiv.		(778,200)		(660,000)
++ Preferred stock		—		900
+++ Common stock		1,850,000		1,772,700
Deferred trans. adjust.		81,200		(36,000)
Retained earnings		4,089,600		3,596,400
Treasury stock		(677,700)		(593,700)
Total Liabilities & Shareholders' Equity	$	15,918,300	$	14,598,200

* At lower of cost or estimated realizable value.
≠ Less accumulated depreciation and amortization.
+ $1 par value, $4.80 convertible.
++ $1 par value, $4.50 convertible.
+++ $5 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.02	6.45
% Net Income to Sales	3.50	3.59
% Net Income to Equity	14.05	14.81
Sales to Inventories	5.30	4.99
Debt to Equity	0.67	0.76
Working Capital	$ 3,060,800,000	$ 2,130,700,000
Current Ratio	1.51	1.33
Shareholders' Equity	$ 5,343,100,000	$ 4,740,300,000

United Telecommunications, Inc.

2330 Shawnee Mission Parkway
Westwood, Kansas 66205
(913) 676-3000
FAX: (913) 676-3281

Mailing address:
P.O. Box 11315
Kansas City, Missouri 64112

Officers: William T. Esrey, chairman & chief executive officer; Arthur B. Krause, exec. v.p., chief financial & information officer; Curtis G. Fields, pres.- local telecommunications division; Ronald T. LeMay, pres.-long distance division; J. Richard Devlin, exec. v.p.-law and external affairs; M. Jeannine Strandjord, sr. v.p. & treasurer; William J. Gunter, sr. v.p. & controller; Don A. Jensen, v.p. & secretary; David D. King, exec. v.p.-chief human resource, technology and planning officer.

Directors: James I. Cash, Jr., Warren L. Batts, Ruth M. Davis, Joseph L. Dionne, William T. Esrey, Donald J. Hall, Paul H. Henson, Harold S. Hook, Carl Horn, Jr., Lewis W. Lehr, James F. McDonald, Charles E. Rice, Stewart Turley, Charles H. Price, II.

Areas of Work: United Telecom is a diversified telecommunications holding company. United's local telephone companies (United Telephone System) serve 3.9 million access lines in 17 states. United's long distance division, US Sprint, provides long-distance voice, data, and video telecommunications services both domestically and internationally (united owns 80.1% of US Sprint; GTE owns 19.9%). United also owns subsidiaries engaged in telecommunications product distribution and telephone directory publication.

Subsidiaries:

DirectoriesAmerica
7015 College Blvd.
Suite 400
Overland Park, Kansas 66211

North Supply Company
600 Industrial Parkway
Industrial Airport, Kansas 66031
(913) 791-7000

United Telephone System, Inc.
P.O. Box 11315
Kansas City, Missouri 64112
(913) 676-3000
Consists of the following companies:

Carolina Telephone and Telegraph Co.
720 Western Blvd.
Tarboro, North Carolina 27886
(919) 823-9900

United Telephone Company of Florida
919 West Highway 436
Altamonte Springs, Florida 32701
(305) 862-1123

United Telephone Company of Indiana
Post Office Box 391
Warsaw, Indiana 46580
(219) 267-6161

United Telephone Company of the Northwest
601 State Street
Hood River, Oregon 97301
(503) 386-2211

United Telephone Company of Ohio
Post Office Box 3555
Mansfield, Ohio 44907
(419) 755-8011

United Telephone System-Eastern Group
1170 Harrisburg Pike
Carlisle, Pennsylvania 17013
(717) 243-6312
Consists of the following companies:

United Telephone Company of Pennsylvania
United Telephone Company of New Jersey

United Telephone System-Midwest Group
666 W. 110th St.
Overland Park, Kansas 66211
(913) 381-6400
Consists of the following companies:

United Telephone Company of Texas
United Telephone Company of Kansas
United Telephone Company of Minnesota
United Telephone Company of Missouri
United Telephone Company of the West

United Telephone System-Southeast Group
112 Sixth Street
Bristol, Tennessee 37620
(615) 968-8121
Consists of the following companies:

United Inter-Mountain Telephone Company
United Telephone Company of the Carolinas

United Telecom Corporate Center
P.O. Box 11315
Kansas City, Kansas 64112
(913) 676-3000

U.S. Sprint Communications
P.O. Box 8417
Kansas City, Missouri 64114-0417

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

United Missouri Bank of Kansas City, N.A.
P.O. Box 226
Kansas City, Missouri 64141

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: UT

Number of Employees:

1990	43,100	1987	23,300
1989	41,400	1986	23,200
1988	37,700		

Sales & Earnings

		Revenues & Sales ≠ (000's)		Net Income (000's)
1990	$	8,345,100	$	308,700
1989		7,549,000		362,900
1988		6,493,000		508,900
1987		2,935,100		(51,500)
1986		3,012,700		180,500

	No. of Com. Shares ‡		Earn. per Share ‡
1990	213,900,000	$	1.43
1989	209,100,000		1.72
1988	204,400,000		2.48
1987	199,600,000		—
1986	195,400,000		0.91

(Loss)
≠ Of continuing operation only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.00	—	—
1989	0.97	—	2-for-1
1988	0.96	—	—
1987	0.96	—	—
1986	0.96	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity †		Equity Per Share +
1990	$ 2,296,300,000	$	10.74
1989	2,702,900,000		12.93
1988	1,874,800,000		9.17
1987	1,523,500,000		7.63
1986	1,724,900,000		8.83

† After allowing for preferred stock at stated value.
+ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31		1990		1989
Net revenues:				
Long-dist. comm. serv.	$	5,064,700	$	4,323,600
Local comm. serv.		2,709,900		2,637,000
Complementary businesses		807,400		762,100
Intercompany sales		(236,900)		(173,700)
Total revenues	$	8,345,100	$	7,549,000
Expenses:				
Long-dist. comm. serv.		4,916,700		4,097,000
Local comm. serv.		2,059,700		2,001,300
Complementary businesses		751,300		714,400
Intercompany expenses		(236,900)		(173,700)
Other income		(13,100)		(11,500)
Interest expense		397,500		359,800
Minority interest		8,600		33,400
Income bef. taxes	$	461,300	$	528,300
Income taxes		152,600		165,400
Net Income	$	308,700	$	362,900

* Included in Costs and Expenses, Depreciation and Amortization: $1,083,200,000 in 1990 and $961,900,000 in 1989.
‡ Restated.

Assets
(000's)

As of Dec 31	1990	1989
Cash & temp cash invest	$ 118,500	$ 114,800
Accts receiv, net	1,264,300	998,700
Notes receiv	40,100	84,400
*Inventories held for resale	150,000	124,700
Deferred inc taxes	11,500	33,500
Prepaid expenses	95,700	66,200
Other curr assets	97,300	86,900
Current Assets	$ 1,777,400	$ 1,509,200
Investments	107,000	114,400
#Fixed assets	8,351,800	7,884,900
Intangibles	86,400	122,400
Other assets	230,000	190,400
Total Assets	$ 10,552,600	$ 9,821,300

Liabilities
(000's)

Long-term debt, curr	$ 479,800	$ 384,300
Accts payable	794,800	738,700
Accrued local interconnection & leased facil costs	312,100	318,500
Accrued taxes	253,600	237,900
Accrued interest	110,700	107,000
Other curr liab	487,200	473,500
Curr Liabilities	$ 2,438,200	$ 2,259,900
Long-term debt	3,974,100	3,747,000
Deferred credits	1,305,500	1,235,800
Minority interest	500,200	464,800
Redeem pref stock		
Parent	24,400	25,600
Subsid	10,500	11,300
Preferred stock	3,400	4,000
+ Common stock	537,300	517,800
Emp stock purch install	15,600	22,300
Add paid-in capital	832,400	650,000
Retained earnings	978,300	882,800
Note receiv -United Telecom Savings Plan Trust	(67,300)	—
Total Liabilities & Shareholders' Equity	$ 10,552,600	$ 9,821,300

* At lower of cost (FIFO) or market
# Less acsumulated depreciation
+ $2.50 par value

Statistical Summary

%Income bef Taxes to Revenues	9.11	7.00
%Net Income to Revenues	6.10	4.81
%Net Income to Equity	13.42	17.47
Debt to Equity	1.94	1.99
Shareholders' Equity	$ 2,299,700,000	$ 2,076,900,000

Unitrode Corporation

8 Suburban Park Drive
Billerica, Massachusetts 01821
(617) 861-6540
FAX (617) 861-6773

Officers: Robert L Cable, chairman & chief exec officer; Michael J Ferrantino, v.p.-micro networks; Allan R Campbell, v.p., general counsel & secretary; Frederick J Myers, v.p.-international sales; Dennis A Peasenell, v.p.-integrated circuits; Franklin P Weigold, president & chief operating officer; Irina Simmons, assistant treasurer; Cosmo S Trapani, v.p., chief financial officer & treasurer; E Charles Aubee, v.p.-power general; Steven M Wood, v.p.-powercube

Directors: Kenneth Hecht, Peter A Brooke, Arthur I Goldstein, Robert L Gable, Edward H Browder

Areas of Work: Develops, manufactures, and markets semiconductors, switching power supplies, data conversion products, and analog integrated circuits

Subsidiaries:

Powercube Corporation
8 Suburban Park Drive
Billerica, Massachusetts 01821
(617) 862-6400
Manufactures power supplies for the military

Unitrode Integrated Circuits Corp
7 Contintental Blvd
Merrimack, New Hampshire
Manufactures analog ICs

Unitrode Mexicana S.A. de C.V
Agua Prieta, Sonora, Mexico

Power General Corporation
Canton, Massachusetts
Manufactures multiple-output switching power supplies and modular DC-DC converters

ADDACON, Inc
Greensboro, North Carolina
A manufacturer of high-speed, board-level and hybrid circuit data converters

Qualitron
Texas
A manufacturer of magnetic components and DC/DC power supplies

Transfer Agent(s):

Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: UTR

Number of Employees:

1991	1,350	1988	2,450
1990	1,532	1987	2,706
1989	2,445		

Plant Footage:

1991	591,000 sq ft	1988	722,000
1990	640,000	1987	731,000
1989	747,000		

Sales & Earnings

	Revenues	Net Income
1991	$ 127,212,000	$ (1,753,000)
1990	139,015,000	(20,636,000)
1989	163,517,000	1,876,000
1988	135,104,000	(19,951,000)
1987	149,422,000	(7,030,000)

	No. of Com Shares ‡	Earn per Share ‡
1991	13,783,000	$ —
1990	13,815,000	—
1989	13,835,000	0.14
1988	13,800,000	—
1987	13,837,000	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1991	1990	1989	1988
Semiconductors	32 %	35 %	39 %	35 %
Power management ICs	32	23	17	15
Switching power supplies	23	21	17	19
Data conversion devices	13	11	13	16
Passive components	—	10	14	15
Total	100 %	100 %	100 %	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ —	—	—
1990	—	—	—
1989	—	—	—
1988	0.15	—	—
1987	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 83,527,000	$ 6.20
1990	86,492,000	6.27
1989	106,826,000	7.73
1988	104,447,000	7.57
1987	125,285,000	9.09

Income Account*

Year ended Jan 31	1991	1990
Net revenues	$ 127,211,729	$ 139,015,216
Cost of revenues	90,748,589	104,898,987
Expenses	37,223,646	41,132,059
Unusual items	1,183,000	14,252,000
Interest income	(878,500)	(693,911)
Interest expense	170,379	554,061
Other expense (income)	(30,720)	317,878
Loss before taxes	$ (1,204,665)	$ (21,445,858)
Income taxes (credit)	548,000	(810,000)
Net Loss	$ (1,752,665)	$ (20,635,858)

* Included in Costs and Expenses, Depreciation and Amortization: $11,903,877 in 1991 and $13,277,083 in 1990

Assets

As of Jan 31	1991	1990
Cash & cash equiv	$ 15,196,554	$ 15,582,391
Accts receiv, net	17,888,012	18,040,593
*Inventories	21,833,238	28,056,051
Prepaid expenses	4,712,423	1,723,564
Current Assets	$ 59,630,227	$ 63,402,599
#Fixed assets	35,383,652	44,985,217
Exc of cost over assets acq	6,865,790	7,158,917
Other assets	2,569,158	1,894,825
Total Assets	$ 104,448,827	$ 117,441,558

Liabilities

Long-term debt, curr	$ 1,295,179	$ 2,397,988
Accts payable	5,641,829	5,040,712
Income taxes pay	2,529,178	3,561,239
Accrued payroll	3,343,253	5,017,544
Accured unusual charges	1,795,354	5,794,722
Accrued distributor returns	840,132	2,921,843
Other curr liab	5,476,868	6,215,805
Curr Liabilities	$ 20,921,793	$ 30,949,853
+Common stock	2,694,413	2,779,241
Add paid-in capital	28,773,489	29,503,228
Retained earnings	52,428,620	55,664,511
Treasury stock	—	(1,255,347)
Deferred compensation	(369,488)	(199,928)
Total Liabilities & Shareholders' Equity	$ 104,448,827	$ 117,441,558

* At current average cost but not in excess of net realizable value
# Less accumulated deprecation
+ $0.20 par value

Statistical Summary

Debt to Equity	0.02	0.03
Working Capital	$ 38,708,434	$ 32,452,746
Current Ratio	2.85	2.05
Shareholders' Equity	$ 83,527,034	$ 86,491,705

Universal Voltronics Corp.

(50.2% owned by Thermedics, Inc. of Woburn, Massachusetts)

27 Radio Circle Drive
Mount Kisco, New York 10549
(914) 241-1300
FAX (914) 241-3129

Officers: Barry Ressler, president & chief executive officer; John N. Hatsopoulos, chief financial officer; Paul F. Kelleher, chief accnting officer; Walter F. J. Crewson, v.p.; Julian M. Polis, v.p.; Frank X. Samperi, v.p.; Theo Melas-Kyriazi, treasurer; Sandra L. Lambert, secretary

Directors: John W. Wood, Jr., chairman; Barry Ressler, John N. Hatsopoulos, Lewis Cohen, William W. Hoover, Michael McCormack, Sandra L. Lambert, Theo Melas-Kyriazi, Firooz Rufeh

Areas of Work: Engaged in the design, manufacture and sale of high voltage power conversion systems, modulators and related equipment for strategic defense projects, energy research, as well as medical, commercial and utility applications.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: UVI

Number of Employees:

12/29/90	84	6/30/88	101
6/30/90	85	6/30/87	100
6/30/89	107		

Plant Footage:

12/29/90	45,000 sq. ft.	6/30/88	45,000
6/30/90	45,000	6/30/87	45,000
6/30/89	45,000		

Sales & Earnings

	Net Sales	Net Income †
12/29/90*	$ 3,847,000	$ 221,000
6/30/90	6,957,000	(1,092,000)
6/30/89	7,257,188	(545,644)
6/30/88	6,011,927	(1,012,321)
6/30/87	7,881,840	183,451

	No. of Com. Shares ‡	Earn. per Share † ‡
12/29/90*	7,853,000	$ 0.03
6/30/90	3,626,000	—
6/30/89	2,695,147	—
6/30/88	2,678,401	—
6/30/87	2,803,633	0.07

( ) Loss
* 6 months.
† Including extraordinary gains of $43,000 ($0.01 per share) in the period ending 12/29/90 and $74,563 ($0.03 per share) in 1987.
‡ Based on the weighted average number of common share and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/29/90	$ 6,524,000	$ 0.83
6/30/90	6,279,000	1.73
6/30/89	500,748	0.19
6/30/88	1,046,392	0.39
6/30/87	2,058,713	0.73

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	12/29/90 (6 months)	6/30/90
Revenues	$ 3,847,000	$ 6,957,000
Cost of revenues	2,539,000	5,442,000
Sell., gen., & adm. exp.	1,003,000	1,988,000
Res. & develop. exp.	97,000	295,000
Interest expense	103,000	373,000
Interest income	(207,000)	(49,000)
Inc. (loss) bef. taxes	$ 312,000	$ (1,092,000)
Income taxes	134,000	—
Net Income (Loss)	$ 178,000	$ (1,092,000)
Extraord. gain	43,000	—
Net Income (Loss) & extraord. gain	$ 221,000	$ (1,092,000)

* Included in Costs and Expenses, Depreciation and Amortization: $134,000 in the period ending 12/29/90 and $286,000 in the year ending 6/30/90.

Assets

As of	12/29/90	6/30/90
Cash & cash equiv.	$ 4,467,000	$ 5,163,000
Accts. receiv., net	1,656,000	1,131,000
Unbilled contr. costs & fees	333,000	257,000
*Inventories	1,613,000	1,557,000
Other curr. assets	127,000	81,000
Current Assets	$ 8,196,000	$ 8,189,000
#Fixed assets	1,070,000	1,139,000
Other assets	88,000	73,000
Total Assets	$ 9,354,000	$ 9,401,000

Liabilities

Long-term debt, curr.	$ 1,956,000	$ 97,000
Accts. payable	133,000	217,000
Accrued payroll	156,000	235,000
Accrued inc. taxes	89,000	—
Accrued warranty reserves	48,000	24,000
Accrued commissions	21,000	101,000
Accrued legal expenses	—	155,000
Other accruals	78,000	103,000
Due to Thermo Electron	38,000	9,000
Curr. Liabilities	$ 2,519,000	$ 941,000
Long-term debt	21,000	1,928,000
Accrued pension	290,000	253,000
+Common stock	393,000	393,000
Add. paid-in capital	10,660,000	10,639,000
Accum. deficit	(4,529,000)	(4,750,000)
Treasury stock	—	(3,000)
Total Liabilities & Shareholders' Equity	$ 9,354,000	$ 9,401,000

* At lower of cost (average) or market
# Less accumulated depreciation
+ $0.05 par value

Statistical Summary

% Income bef. Taxes to Sales	8.11	—
% Net Income to Sales	4.63	—
% Net Income to Equity	2.73	—
Debt to Equity	0.30	0.32
Working Capital	$ 5,677,000	$ 7,248,000
Current Ratio	3.25	8.70
Shareholders' Equity	$ 6,524,000	$ 6,279,000

UTL Corporation

1508 West Mockingbird Lane
Dallas, Texas 75235
(214) 638-6688

NOTE: In 1991, the Company was acquired by ARGOSystems, Inc. of Sunnyvale, California, a wholly-owned subsidiary of the Boeing Company.

Officers: Gifford K. Johnson, chairman of the board, president and chief executive officer; Gerald P. Florence, executive v.p. & chief operating officer; John Benson, sr. v.p.-finance & treasurer; Bob W. Maupin, sr. v.p.-advanced development; George A. Earle, v.p.-business development; R.H. Lichtenstein, v.p.; George R. Albin, v.p.; Charles F. Turrentine, v.p.-operations; Marjorie N. Stafford, secretary

Directors: Robert McCulloch, H.L. Simpson, Robert Hibbert, William Bret, Theodore Strauss, Gifford K. Johnson, John Benson, Robert E. Galer

Areas of Work: Engaged in the design, development and manufacture of electronic systems and subsystems which are used by the United States and foreign military services in reconnaissance, surveillance and targeting. Also offers command, control, communication and intelligence ("C3I") systems which utilize computer systems and proprietary software to process data collected from ESM systems.

Division:

UTL Defense Electronics, Inc.
Suite 200
260 Hearst Way
Kanata, Ontario K2L 3H1, Canada
(613) 591-3474

Acquisition:

UTL Canada, Inc.
Primarily engaged in marketing the following two programs: Tactical radar identification and location system ("TRILS") to integrate ESM sensors on ground vehicles, and the next generation Canadian Army Electronic Warfare Control and Analysis Center ("EWCAC").

Transfer Agent(s):

Texas American Bank, Dallas
Trust Department
P.O. Box 35207
Dallas, Texas 75235

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UTLC (NASDAQ)

Number of Employees:

1989	434	1986	414
1988	467	1985	N.A.
1987	381		

Plant Footage:

1989	145,100 sq. ft.	1986	143,500
1988	143,500	1985	76,500
1987	143,500		

N.A. - Not Available

Sales & Earnings

	Revenues	Net Income ‡
1989	$ 24,101,081	$ (7,470,029)
1988	22,965,432	(6,804,943)
1987	18,797,897	(252,596)
1986	31,519,253	5,122,340
1985	26,158,341	4,862,966

	No. of Com. Shares +	Earn per Shares ‡ +
1989	4,205,000	$ —
1988	4,247,000	—
1987	4,752,000	—
1986	4,844,000	1.06
1985	4,860,000	1.00

‡ Including extraordinary gains of $343,698 in 1989, $3,178,441 in 1988 and $759,262 in 1987.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

UTL Corporation

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 10,636,927	$ 2.53
1988	17,869,456 ‡	4.21
1987	30,731,185 ‡	6.47
1986	39,487,658 ‡	8.15
1985	34,159,914 ‡	7.03

‡ After allowing for preferred stock at liquidation value
+ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *

Year ended June 30	1989	1988
Revenues	$ 24,101,081	$ 22,965,432
Contract costs	28,410,917	23,233,537
Expenses	7,182,134	5,626,868
Interest income	(1,475,064)	(1,425,343)
Dividend income	—	(1,262,500)
Interest expense	2,152,427	2,708,221
Realized loss on sale of secur	203,534	7,766,627
Realized loss (gain) on sale of fixed assets	(1,214,409)	95,366
Unrealized gain on secur. sold short	(323,312)	(776,816)
Other expense	66,723	294,329
Loss before taxes	$ (10,901,849)	$ (13,294,857)
Tax credit	(3,088,122)	(3,311,473)
Net Loss	$ (7,813,727)	$ (9,983,384)
Extraordinary gain	343,698	3,178,441
Net Loss & extraordinary gain	$ (7,470,029)	$ (6,804,943)

* Included in Costs and Expenses, Depreciation: $951,609 in 1988 and $835,627 in 1988

Assets

As of June 30	1989	1988
Cash & cash equiv.	$ 909,970	$ 11,310,279
Market. secur.	11,631,709	8,674,373
Accts. receiv.-trade	7,271,458	7,716,367
Accts. receiv.-brokers	—	9,795
Long-term contracts	8,668,487	9,708,027
Inc. taxes refund	2,937,989	3,332,185
Prepaid expenses	343,968	343,432
Deferred inc. taxes	—	150,386
Adv. to stock ownership plans	—	100,334
Current Assets	$ 31,763,581	$ 41,345,178
Investment & adv.	—	691,205
‡Fixed assets	14,787,771	13,348,328
Other assets & bond issue costs	894,609	917,303
Total Assets	$ 47,445,961	$ 56,302,014

Liabilities

Long-term debt, curr.	$ 787,500	$ 775,000
Note payable	1,800,000	1,000,000
Accts. payable	416,101	1,023,642
Billings in exec. of costs	83,148	547,682
Accruals	2,878,285	2,585,800
Curr. Liabilities	$ 5,965,034	$ 5,932,124
Long-term debt	30,844,000	31,631,500
Def. fed. inc. taxes	—	806,434
+ Preferred stock	—	62,500
++ Common stock	1,246,815	1,221,815
Add. paid-in capital	20,777,137	21,339,637
Emp. stock plan purch. with guaran. debt	(3,587,500)	(4,362,500)
Retained earnings	3,117,666	10,587,695
Treasury stock	(10,917,191)	(10,917,191)
Total Liabilities & Shareholders' Equity	$ 47,445,961	$ 56,302,014

‡ Less accumulated depreciation and amortization
+ No par value: $0.625 stated value, noncumulative
++ $0.25 par value

Statistical Summary

Debt to Equity	3.14	1.86
Working Capital	$ 25,798,547	$ 35,413,054
Current Ratio	5.32	6.97
Shareholders' Equity	$ 10,636,927	$ 17,931,956

Valid Logic Systems Incorporated

2820 Orchard Parkway
San Jose, California 95134
(408) 432-9400
FAX: (408) 432-9430

Officers: W. Douglas Hajjar, chairman & chief exec. officer; L. George Klaus, president & chief operating officer; Robert G. Fulks, v.p.-Engineering; Thomas F. Kelly, v.p.-finance & administration, chief financial officer; Robert J. Moore, v.p.-Worldwide Support; Joseph Prang, v.p.-marketing; Kenneth R. Lally, v.p.-North American Sales; Franklin D. White, Sr., v.p.-operations; Keith L. Barnes, v.p., general mgr.-IMS verification Division; D. Ross White, corporate controller & principal accounting officer.

Directors: W. Douglas Hajjar, chairman; Robert L. Ashley, William P. Doolittle, L. George Klaus, J. Sidney Webb.

Areas of Work: Designs, manufactures, markets and supports customer solutions for electronic design automation applications for the development of electronic systems, printed circuit boards, and integrated circuits.

Divisions And Subsidiaries:

PCB Division
Two Omni Way
Chelmsford, Massachusetts 01824

IMS Verification Division
9525 S. W. Gemini
Beaverton, Oregon 97005

CAE Division/IC Division
2820 Orchard Parkway
San Jose, California 95134

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VLID (NASDAQ)

Number of Employees:

1990	904	1988	765
1989	980	1987	500

Plant Footage:

1990	367,000 sq. ft.	1988	317,000
1989	424,000	1987	237,000

Sales & Earnings

	Net Sales	Net Income
1990	$ 158,539,000	$ (45,015,000)
1989	173,856,000	10,002,000
1988	141,117,000	7,744,000
1987*	88,163,000	(26,894,000)
1986	88,176,000	(11,916,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1990	32,100,000	$ —
1989	32,631,000	0.31
1988	30,297,000	0.26
1987*	28,231,000	—
1986	28,116,000	—

(Loss)
* 53 weeks
‡ Based on the weighted average number of common shares and common share equivalents outstanding
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 40,623,000	$ 1.27
1989	82,816,000	2.54
1988	71,103,000	2.35
1987	48,686,000	1.44
1986	65,451,000	2.33

‡ Based on the weighted average number of common shares and common share equivalents outstanding

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Net sales		
Product	$ 122,030	$ 137,047
Service & other	36,509	36,809
Total income	$ 158,539	$ 173,856
Cost of sales	70,597	77,053
Expenses		
Res. & develop.	15,610	13,066
Sell., gen., and adm.	76,163	70,902
Restruc. costs	17,978	—
Interest expense	2,316	1,956
Other income	(356)	(199)
Inc. (loss) bef. taxes	$ (43,769)	$ 11,078
Income taxes	290	1,076
Net Income (Loss)	$ (44,059)	$ 10,002

* Included in Costs and Expenses, Depreciation and Amortization: $9,984,000 in 1990 and $9,812,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 10,389	$ 9,206
Accts. receiv., net	50,642	56,034
*Inventories	6,189	17,669
Prepaid expenses	4,325	4,883
Current Assets	$ 71,545	$ 87,792
‡Fixed assets	11,997	25,032
Capitalized software	21,216	18,118
Deposits & other assets	5,660	8,704
Total Assets	$ 110,418	$ 139,646

Liabilities
(000's)

Notes payable	$ 17,370	$ 2,312
Long-term debt, curr.	2,794	1,834
Accts. payable	11,618	19,289
Accruals	20,931	14,791
Curr. Liabilities	$ 52,711	$ 38,226

Long-term debt		4,384		17,858
Deferred inc. taxes		746		746
+Redeem. convert. pref stock		11,954		—
+Common stock		32		32
Add. paid-in capital		120,336		118,820
Retained earnings (deficit)		(85,113)		(40,098)
Cum. trans. adjust		5,368		4,062
Total Liabilities & Shareholders' Equity	$	110,418	$	139,646

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.001 par value

Statistical Summary

% Income bef. Taxes Total Income		—		6.37
% Net Income to Total Income		—		5.75
% Net Income to Equity		—		12.08
Debt to Equity		0.60		0.27
Working Capital	$	18,834,000	$	49,566,000
Current Ratio		1.36		2.30
Shareholders' Equity	$	40,623,000	$	82,816,000

Varian Associates, Inc.

3100 Hansen Way
Palo Alto, California 94304-1030
(415) 493-4000
FAX (415) 493-0307

Officers: J. Tracy O'Rourke, chairman of the board & chief executive officer; Allen J. Lauer, exec. v.p.; Richard M. Levy, exec. v.p.; Al D. Wilunowski, exec. v.p.; Alan J. Bennett, v.p.-research; Stanley Z. Cole, v.p.; Derrel B. De Passe, v.p.-government relations; Robert A. Lemos, v.p.-finance & chief financial officer; Alvin J. Ferreira, v.p.-operations; Richard H. Thompson, v.p.-international; Gary F. Simpson, v.p.-marketing; Joseph B. Phair, v.p.-general counsel; Ernest M. Felago, v.p.-human resources; William R. Moore, secretary & associate general counsel; Wayne P. Somrak, controller; Allen K. Jones, treasurer

Directors: Thomas D. Sege*, chairman; Kenneth J. Arrow, Ruth M. Davis, C. Lester Hogan*, William F. Miller*, Gordon E. Moore, H. Myrl Stearns*, Edward L. Ginzton*, John J. Cooper, Lewis W. Lehr*, John G. McDonald, Donald O. Pederson, J. Tracy O'Rourke, Angus A. MacNaughton, Burton Richter

* Member of the Executive Committee

Areas of Work: Designs, manufactures, and markets high-technology systems and components for applications in worldwide markets. Major product lines include electron tubes for communications, radar, electronic countermeasures, science, medicine, and industrial uses; analytical instruments for science and industry; wafer fabrication equipment for the semiconductor industry; and radiation equipment for cancer therapy and industrial inspection.

Divisions and Subsidiaries:

Electron Device Group

Microwave Power Tube Division
611 Hansen Way
Palto Alto, California 94303
(415) 493-4000
Klystrons, traveling-wave tubes, gyrotrons

EIMAC Division
301 Industrial Way
San Carlos, California 94070
(415) 592-1221

1678 S. Pioneer Road
Salt Lake City, Utah 84104
(801) 972-5000
Power grid tubes, and X-ray tubes

Solid State Microwave Division
3251 Olcott Street
Santa Clara, California 95050
(408) 988-1331
Solid state oscillators and amplifers & YIG tuned devices

Microwave Equipment Division
3200 Patrick Henry Drive
Santa Clara, California 95050
(408) 496-6273
Power amplifiers and power supplies, microwave components, electromagnets.

Beverly Microwave Division
8 Salem Road
Beverly, Massachusetts
(617) 922-6000
Magnetrons, cross-field amplifiers, modulators, solid state, microwave components, ring-loop traveling-wave tubes, radar subsystems and receiver protectors.

Canada Microwave Division
45 River Road
Georgetown, Ontario L7G 2J4 Canada
Klystrons, traveling and millimeter-wave tubes, power supplies

III-V Device Center
Santa Clara, California
Gallium arsenide and indium phosphide devices and integrated circuits

Continental Electronics Division
Dallas, Texas
High-power radio transmitters

Varian LVT Ltd.
Cambridge, England
Microwave tubes

Traveling-Wave Tube Division
Palo Alto, California

Coupled Cavity Tube Division
Palo Alto, California

RF Subsystems Division
Beverly, Massachusetts

Analytical Instruments

Analytichem International, Inc.
24201 Frampton Avenue
Harbor City, California 90710
(213) 539-6490
Sample preparation products

NMR Instrument Division
Palo Alto, California

Walnut Creek Instrument Division
2700 Mitchell Drive
Walnut Creek, California 94587
(415) 939-2400
Gas and liquid chromatographs, data systems, laboratory information management systems

Varian Techtron Pty. Ltd.
679 Springvale Road
Mulgrave, Victoria 3170
Melbourne, Australia
Atomic absorption and UV-Vis spectrophotometers

Medical & Industrial Products Group

Radiation Division
611 Hansen Way
Palto Alto, California 94303
(415) 493-4000
Medical and radiographic linear accelerators, electronic radiography imaging systems

Varian TEM, Limited
Gatwick Road
Crawley, West Sussex, England
Radiotherapy planning simulator

Vacuum Products Division
121 Hartwell Avenue
Lexington, Massachusetts 02173
(617) 861-7200

TEL-Varian Ltd. (affiliate)
2381 Ohara, Kita Gejo Fugii-cho
Nirasaki City
Yamanashi, Japan
Ion implanters.

Semiconductor Equipment Group

Extrion Division
Blackborn Industrial Park
P.O. Box 1226
Gloucester, Massachusetts 01930
(617) 281-2000
Ion implantation equipment, rapid thermal processing equipment

Thin Film Technology Division
611 Hansen Way
Palto Alto, California 94303
(415) 492-4000
Sputtering systems, molecular beam epitaxy systems, memory disc sputtering systems

Varian-TEL products
Fremont, California

Corporate Manufacturing

Tempe Electronics Division
Tempe, Arizona
Printed circuit board assembly

Varian Research Center
Palo Alto, California

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, Pacific

Ticker Symbol: VAR

Number of Employees:

1990	10,200	1987	11,900
1989	12,100	1986	11,600
1988	11,800		

Sales & Earnings

	Net Sales +		Net Income
1990	$ 1,264,800,000	$	(4,092,000)
1989	1,219,600,000		31,519,000
1988	1,045,100,000		27,758,000
1987	872,800,000		21,365,000
1986	798,300,000		(14,870,000)

	No. of Com. Shares		Earn per Share #
1990	19,288,000	$	—
1989	19,896,000		1.53
1988	21,674,000		1.27
1987	21,966,000		0.98
1986	24,448,000		—

( ) Loss
+ Of continuing operations only
# Based on the average number of shares outstanding

Revenues by Line of Business
(000's)

		1990		1989
Electron devices	$	411,000	$	408,000
Semiconductor equip.		268,000		234,000
Medical equip.		221,000		195,000
Eliminations		67,000		60,000
Total	$	1,265,000	$	1,220,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.26	—	—
1989	0.26	—	—
1988	0.26	—	—
1987	0.26	—	—
1986	0.26	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 400,200,000	$ 20.75
1989	427,300,000	21.48
1988	451,000,000	20.81
1987	438,100,000	19.95
1986	410,900,000	19.16

Income Account*

Year ended	9/28/90	9/29/89
Net sales	$ 1,264,840	$ 1,219,604
Cost of sales	872,231	853,192
Expenses	308,913	297,176
Restruc. charges	51,482	—
Interest expense	13,021	10,791
Interest income	(1,487)	(1,192)
Other expense	—	6,100
Income before taxes	$ 20,658	$ 53,537
Income taxes	8,060	20,340
Inc.-cont. oper.	$ 12,598	$ 33,197
Loss-discont. oper.	(16,690)	(1,678)
Net Income (Loss)	$ (4,092)	$ 31,519

* Included in Costs and Expenses, Depreciation: $41,337,000 in 1990 and $40,656,000 in 1989.

Assets

As of	9/28/90	9/29/89
Cash & cash equiv.	$ 26,185	$ —
Accts. receiv., net	256,602	263,738
*Inventories	222,321	285,725
Other curr. assets	117,636	93,774
Net assets - discont. oper.	45,053	—
Current Assets	$ 667,797	$ 643,237
#Fixed assets	214,327	252,771
Other assets	41,450	35,273
Total Assets	$ 923,574	$ 931,281

Liabilities

Notes payable	$ 10,037	$ 53,648
Accts. payable	71,141	74,528
Accruals	223,385	182,836
Prod. warranty	34,260	29,910
Adv. pay. from cust.	69,023	73,279
Curr. Liabilities	$ 407,846	$ 414,201
Long-term debt	76,822	54,914
Deferred taxes	38,695	34,885
+Common stock	19,288	19,896
Add. paid-in capital	94,005	111,356
Retained earnings	286,918	296,029
Total Liabilities & Shareholders' Equity	$ 923,574	$ 931,281

* At lower of cost or market. U.S. inventories of the Instruments, Semiconductor Equipment, and Medical Equipment divisions at LIFO; all other inventories at average cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Net Income to Equity	—	7.38
Sales to Inventories	5.69	4.27
Debt to Equity	0.22	0.25
Working Capital	$ 259,951,000	$ 229,036,000
Current Ratio	1.64	1.55
Shareholders' Equity	$ 400,211,000	$ 427,281,000

Venturian Corp.

1600 Second Street South
Hopkins, Minnesota 55343
(612) 931-2500
FAX: (612) 931-2402

Officers: Gary B. Rappaport, chairman of the board, president & chief exec. officer; Mary F. Jensen, chief financial oficer-Venturian Corp. & Napco International Inc.; Charles B. Langevin, exec. vice president-Napco International, Inc.; Reinhild D. Hinze, treasurer & v.p.-operations-Napco International, Inc.

Directors: Gary B. Rappaport, chairman; Michael R. Sill, Charles B. Langevin, Morris M. Sherman, Stuart B. Utgaard.

Areas of Work: Through its wholly owned subsidiary, Napco International, Inc., the Company is a supplier of a wide variety of defense-related products to the U.S. government and to the governments of over 60 nations throughout the world.

Divisions of Napco International, Inc., a wholly owned subsidiary:

Ordnance Division
Markets spare and replacement parts for virtually every U.S.-made military wheeled and tracked vehicle.

Defense Electronics Division
Markets a broad range of electronic security and communications equipment, including a full spectrum of military radios and spare parts, and mobile support communications command posts.

Aerospace Division
Supports maintenance programs, and supplies spare parts and ground support equipment worldwide, for U.S.-manufactured planes and helicopters.

Special Products Division
Markets a wide range of weapons systems. Also markets the Napco RAIDER patrol boat.

Tank Automotive Systems Division
Designs and markets modernization kits to improve the performance and increase the capabilities of a wide variety of U.S. military wheeled and tracked vehicles. Also supplies new trucks, vans and other wheeled and tracked vehicles for military, medical, industrial and construction applications.

Transfer Agent(s):

American Stock Transfer Company
40 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VENT (NASDAQ)

Number of Employees:

1990	100	1988	107
1989	85		

Plant Footage:

1990	153,000 sq. ft.	1988	153,000
1989	153,000		

Sales & Earnings

	Net Sales	Net Income #
1990	$ 32,245,000	$ 1,076,000
1989	32,246,000	(1,889,000)
1988	36,518,000	(981,000)
1987	32,934,000	886,000
1986	36,477,000	(1,615,000)

	No. of Com. Shares	Earn. per Share # ‡
1990	787,364	$ 1.35
1989	792,939	—
1988	862,813	—
1987	930,663	0.89
1986	1,049,418	—

(Loss)
# Including extraordinary gain of $376,000 ($0.47 per share) in 1990.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 15,796,000	$ 20.06
1989	14,786,000	18.65
1988	17,594,000	20.39
1987	19,415,000	20.86
1986	20,404,000	19.44

Income Account*
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 32,245	$ 32,246
Cost of sales	24,213	25,158
Expenses:		
Mkting.	2,507	3,418
Administrative	2,873	2,998
Warehousing	1,745	1,697
Interest income	(277)	(494)
Interest expense	275	311
Other expense (income)	(205)	1,047
Inc. (loss) bef. taxes	$ 1,114	$ (1,889)
Income taxes	414	—
Net Income (Loss)	$ 700	$ (1,889)
Extraord. gain	376	—
Net Income (Loss) & extraord. gain	$ 1,076	$ (1,889)

* Included in Costs and Expenses: Depreciation and Amortization: $454,000 in 1990 and $463,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 3,754	$ 1,858
Marketable securities	10	719
Accts. receiv., net	7,914	6,946
*Inventories	3,693	4,878
Prepaid expenses	1,153	554
Current Assets	$ 16,524	$ 14,955
#Fixed assets	3,037	3,378
Other assets	2,557	2,613
Total Assets	$ 22,118	$ 20,946

Liabilities
(000's)

Bank overdraft	$ 501	$ 250
Long-term debt, curr.	51	47
Accts. payable	2,119	2,050
Advances from cust.	273	243
Accrued payroll	533	393
Accrued commissions	142	313
Other accruals	724	858
Curr. Liabilities	$ 4,343	$ 4,154

Long term debt	138	189
Deferred compensation	1,841	1,817
+Common stock	787	793
Add. paid-in capital	14,877	14,937
Retained earnings (deficit)	132	(944)
Total Liabilities & Shareholders' Equity	$ 22,118	$ 20,946

* At lower of cost (specific identification) or market.
# Less accumulated depreciation and amortization.
+ $1 par value

Statistical Summary

% Income bef. taxes to Sales	3.45	—
% Net Income to Sales	2.17	—
% Net Income to Equity	4.43	—
Sales to Inventories	8.73	6.61
Debt to Equity	0.04	0.03
Working Capital	$ 12,181,000	$ 10,801,000
Current Ratio	3.80	3.60
Shareholders' Equity	$ 15,796,000	$ 14,786,000

Vermont Research Corporation

Precision Park
North Springfield, Vermont 05150
(802) 886-2256
FAX (802) 886-2682

Officers: Edward D. Winkler, Jr., president & treasurer; Stuart J. Lock, executive v.p.; John G. Kristensen, clerk; Terence Wright, v.p.-engineering; John E. Dimitruk, v.p.-sales & marketing, North America; Peter R. Harris, v.p.-international sales & marketing.

Directors: Hugh M. Taft, Richard A. Stover, J. Franklin Jones, Jr., John G. Moody, Stuart J. Lock, Edward D. Winkler, Jr.

Areas of Work: Engaged in the development, design and manufacture of drums, discs and other basic memory devices for the computer industry.

Subsidiaries:

Vermont Research Limited
Cleeve Road
Leatherhead, Surrey KT227NB England

Vermont Research International Sales Corp.
Precision Park
North Springfield, Vermont 05150
(802) 886-2256

Transfer Agent:

American Stock Transfer Company
40 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: VRE

Number of Employees:

1990	20	1987	113
1989	18	1986	N.A.
1988	18		

N.A. – Not Available

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 4,120,000	$ (217,000)
1989	4,412,000	1,906,000
1988	4,152,000	(2,553,000)
1987	4,838,000	(3,255,000)
1986	4,638,000	(3,258,000)

	No. of Com. Shares	Earn. per Share ‡ #
1990	2,073,918	$ —
1989	2,047,118	0.94
1988	2,012,818	—
1987	2,004,803	—
1986	1,952,933	—

( ) Loss
‡ Including extraordinary gains of $10,000 in 1990, $1,020,000 ($0.50 per share) in 1989 and $186,000 in 1988.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 3,059,000	$ 1.47
1989	3,163,000	1.55
1988	1,244,000	0.62
1987	3,761,000	1.88
1986	6,600,000	3.38

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 4,120,000	$ 4,412,000
Interest income	184,000	217,000
Other income	111,000	124,000
Unusual items	31,000	1,599,000
Total income	$ 4,446,000	$ 6,352,000
Cost of sales	2,405,000	2,390,000
Expenses	2,258,000	2,076,000
Inc. (loss) bef. taxes	$ (217,000)	$ 1,886,000
Income taxes (credit)	10,000	1,000,000
Net Income (Loss)	$ (227,000)	$ 886,000
Extraord. gain	10,000	1,020,000
Net Income (Loss) & extraord. gain	$ (217,000)	$ 1,906,000

* Included in Costs and Expenses, Depreciation and Amortization: $101,000 in 1989 and $328,000 in 1988.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 683,000	$ 1,518,000
Accts. receiv., net	1,134,000	635,000
Refundable income taxes	—	21,000
Receiv. from sale of assets	371,000	317,000
*Inventories	884,000	397,000
Other curr. assets	91,000	109,000
Current Assets	$ 3,163,000	$ 2,997,000
#Fixed assets	548,000	395,000
Receiv. from sale of assets	422,000	808,000
Total Assets	$ 4,133,000	$ 4,200,000

Liabilities

Acct. payable	$ 547,000	$ 328,000
Accrued payroll	43,000	82,000
Other accruals	484,000	585,000
Curr. Liabilities	$ 1,074,000	$ 995,000
Accrued pension liability	—	42,000
+Common stock	1,043,000	1,030,000
Add. paid-in capital	5,519,000	5,480,000
Retained earnings (deficit)	(3,028,000)	(2,810,000)
For. curr. trans. adjust.	(314,000)	(375,000)
Treasury stock	(161,000)	(162,000)
Total Liabilities & Shareholders' Equity	$ 4,133,000	$ 4,200,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value

Statistical Summary

% Income bef. Taxes to Sales	—	42.75
% Net Income to Sales	—	20.08
% Net Income to Equity	—	28.01
Sales to Inventories	4.66	11.11
Working Capital	$ 2,089,000	$ 2,002,000
Current Ratio	2.95	3.01
Shareholders' Equity	$ 3,059,000	$ 3,163,000

Vicon Industries, Inc.

525 Broad Hollow Road
Melville, New York 11747
(516) 293-2200
FAX (516) 293-2627

Officers: Donald N. Horn, chairman & president; Kenneth M. Darby, exec. v.p. & chief operating officer; Peter A. Horn, v.p.-new products & technical support services; Richard R. Perna, v.p.-operations; Lawrence M. Russo, v.p.-corporate systems; Richard P. Adam, v.p.-international sales; Yacov Pshtissky, v.p.-engineering; Henry E. Zorn, v.p.-finance, chief financial officer & treasurer.

Directors: Donald N. Horn, chairman; Arthur V. Wallace, Peter F. Barry, Kenneth M. Darby, Milton F. Gidge, Peter F. Neumann, Harvey Sampson, Kazuyoshi Sudo, Arthur J. Minasy.

Areas of Work: Designs, manufactures and markets a comprehensive line of closed-circuit video systems and equipment for use in surveillance, security, safety, process and control applications.

Subsidiary:

Vicon Industries (U.K.) Ltd.
Portsmouth, England

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: VII

Number of Employees:

1990	250	1987	N.A.
1989	307	1986	366
1988	350		

N.A. – Not Available

Plant Footage:

1990	110,000 sq. ft.	1987	110,000
1989	110,000	1986	110,000
1988	110,000		

Sales & Earnings

	Net Sales	Net Income
1990	$45,064,609	$(316,859)
1989	44,329,391	(1,808,086)
1988	44,036,667	732,344
1987	39,119,509	(508,114)
1986	33,704,000	390,049

	No. of Com. Share +	Earn. per Share +
1990	2,758,000	$ —
1989	2,672,000	—
1988	2,670,000	0.27
1987	2,530,000	—
1986	2,372,000	0.16

( ) Loss
+ Based on the weighted average number of shares outstanding and equivalent shares from dilutive stock options.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 16,313,400	$ 5.91
1989	16,444,899	6.15
1988	17,339,477	6.49
1987	16,725,329	6.61
1986	14,029,851	5.91

‡ Based on the weighted average number of shares outstanding and equivalent shares from dilutive stock options

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 45,064,609	$ 44,329,391
Cost of sales	34,716,014	35,701,033
Expenses	9,796,860	10,705,274
Interest expense	1,019,594	836,170
Eq. in loss (inc.) of affil	5,000	(114,000)
Loss before taxes	$ (472,859)	$ (2,799,086)
Tax credit	(156,000)	(991,000)
Net Loss	$ (316,859)	$ (1,808,086)

* Included in Costs and Expenses, Depreciation and Amortization: $931,497 in 1990 and $993,429 in 1989.

Assets

As of Sept. 30	1990	1989
Cash	$ 354,747	$ 563,332
Accts. receiv., net	8,945,208	9,400,350
Refund inc. taxes	77,000	944,000
Notes & other receiv.	401,665	428,324
*Inventories	16,588,311	20,189,543
Prepaid expenses	1,027,030	1,071,811
Current Assets	$ 27,393,961	$ 32,597,360
⌗Fixed assets	4,365,020	3,863,435
Deferred inc. taxes	585,000	557,000
Invest. in affil	316,000	321,000
Other assets	69,304	200,470
Total Assets	$ 32,729,285	$ 37,539,265

Liabilities

	1990	1989
Notes payable	$ 735,539	$ 845,746
Long-term debt, curr.	230,000	168,300
Accts. payable	4,288,979	7,818,620
Accruals	665,767	740,011
Deferred income taxes	—	77,000
Income taxes pay.	6,000	5,996
Def. gain on sale & leaseback	332,100	332,100
Curr. Liabilities	$ 6,258,385	$ 9,987,773
Long-term debt	8,063,500	8,680,000
Def. gain on sale & leaseback	2,094,000	2,426,593
+Common stock	27,829	27,829
Add. paid-in capital	9,385,707	9,385,707
Retained earnings	6,876,256	7,193,115
Treasury stock	(82,901)	(82,901)
For. curr. trans. adjust.	106,509	(78,851)
Total Liabilities & Shareholders' Equity	$ 32,729,285	$ 37,539,265

* At lower of cost (moving average which approximates FIFO) or market.
⌗ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1990	1989
Sales to Inventories	2.72	2.20
Debt to Equity	0.55	0.59
Working Capital	$ 21,135,576	$ 22,609,587
Current Ratio	4.38	3.26
Shareholders' Equity	$ 16,313,400	$ 16,444,899

Video Display Corporation

1868 Tucker Industrial Drive
Tucker, Georgia 30084
(404) 938-2080
FAX (404) 493-3903

Officers: Ronald D. Ordway, chairman & chief exec. officer; Alfred J. Kenerleber, president; Edwin B. Cordell, Jr., chief fin. officer; Michael J. Donziger, exec. v.p.; Ervin Kuczogi, president-Chroma Video, Inc.; Murray S. Fox, president-Fox International Ltd., Inc.; Peter A. Podes, v.p.-distributor marketing; Robert S. Liss, v.p.-data display marketing.

Directors: Ronald D. Ordway, Alfred J. Kenerleber, John McQueen, Seymour S. Sadowsky, Carleton E. Sawyer.

Areas of Work: The Company has three industry segments: the manufacture and distribution of cathode ray tubes (CRTs) and electron guns in the replacement market, the distribution of electronic parts from foreign and domestic manufacturers and other activities unrelated to the two identified segments, principally consulting and general contracting services rendered to foreign customers to assist in the establishment of manufacturing facilities.

Cathode ray tubes and electron guns are used by two primary industries: the repair/replacement of television sets and the repair/replacement of data display terminals and monitors.

Divisions:

ELECTRONIC PARTS DISTRIBUTION DIVISION

Fox International, Ltd., Inc.
Cleveland, Ohio; Dallas, Texas; Chicago, Illinois; Setauket, New York; Orlando, Florida.

Vanco, Inc.
Lake Bluff, Illinois

CATHODE RAY TUBE DIVISION

Monochrome Tubes:

Video Display Corporation
Stone Mountain, Georgia

Remanufactured Color Tubes:

Chroma Video, Inc.
White Mills, Pennsylvania

Empire Video, Inc.
Jacksonville, Florida

Major Video Co.
Van Nuys, California

New Color Tubes:

VDC-Novatron Division
Bossier City, Louisiana
Projection tubes

Video Display Corporation
Tucker, Georgia
High resolution data display tubes

Entertainment Color Tubes

ELECTRON OPTICS DIVISION

Southwest Vacuum Devices
Tucson, Arizona

Apex Electronics, Inc.
Passaic, New Jersey

Griftronic Emission, Ltd.
Warwickshire, England

Glowtronic Pvt., Ltd.
Mysore, India

Electrocanones de Mexico
Mexico City, Mexico

Amitronics
Bangalore, India

INTERNATIONAL DIVISION

VDC International
Tucker, Georgia

Transfer Agent(s):

The Citizens and Southern Trust Company
Investor Services Department
33 North Avenue, Suite 700
Atlanta, Georgia 30308

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VIDE (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1990	$ 54,543,000	$ 681,000
1989	40,576,000	2,567,000
1988	25,714,000	2,144,000
1987	23,287,000	1,703,000
1986	12,835,000	1,001,000

	No. of Com. Shares +	Earn. per Share +
1990	4,112,093	$ 0.17
1989	4,079,762	0.63
1988	4,163,156	0.46
1987	N.A.	0.42
1986	N.A.	0.27

N.A. - Not Available.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Television	$ 10,234,000	$ 11,820,000
Data display	8,622,000	7,006,000
Electron guns	7,708,000	8,460,000
Wholesale distribution	18,868,000	12,750,000
Other	9,111,000	540,000
Total	$ 54,543,000	$ 40,576,000

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 13,111,000	$ 3.19
1989	12,251,000	3.00
1988	9,564,000	2.30
1987	7,267,000	—
1986	5,637,000	—

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Feb. 28	1990	1989
Net sales	$ 54,543,341	$ 40,576,250
Cost of sales	37,067,495	26,518,573
Sell. & deliv. exp.	4,141,471	3,097,021
Gen. & adm. exp.	8,238,575	5,595,030
Interest expense	1,716,750	1,393,484
Equity in affil.	389,422	(39,532)
Loss on invest. in affil.	1,130,492	—
Other expense (income)	12,577	(154,030)
Minority interest	30,362	9,181
Income bef. taxes	$ 1,816,197	$ 4,156,523
Income taxes	1,135,400	1,589,500
Net Income	$ 680,797	$ 2,567,023

* Included in Costs and Expenses, Depreciation and Amortization: $861,766 in 1990 and $1,074,521 in 1989.

Assets

As of Feb 28	1990	1989
Cash	$ 232,556	$ 576,665
Marketable securities	1,380,611	—
Accts receiv , net	7,220,463	5,500,540
Receiv from affils	837,733	—
Costs in exc of billings	—	539,905
*Inventories	17,481,229	13,839,854
Prepaid expenses	214,939	87,756
Inc taxes refund	46,262	98,500
Def inc taxes	493,000	238,000
Current Assets	$ 27,906,793	$ 20,881,220
≠Fixed assets	8,587,306	7,917,443
Investments	652,032	3,081,560
Exc of cost over assets acq	1,479,649	948,652
Other assets	660,877	574,080
Total Assets	$ 39,286,657	$ 33,402,955

Liabilities

Line of credit	$ 350,465	$ 1,484,550
Long-term debt, curr	8,074,309	2,008,099
Bilings in exc of costs	472,776	—
Accts payable	3,468,305	3,239,838
Accruals	1,158,266	1,025,287
Current Liabilities	$ 13,524,121	$ 7,757,774
Long-term debt	9,924,720	10,941,737
Convert deben	1,250,000	1,250,000
Deferred inc taxes	1,318,035	1,063,035
Minority interest	159,180	139,418
+Common stock	4,307,011	3,962,542
Retained earnings	8,918,745	8,237,948
For curr trans adjust	32,345	50,501
Treasury stock	(147,500)	—
Total Liabilities & Shareholders' Equity	$ 39,286,657	$ 33,402,955

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation
+ No par value

Statistical Summary

% Income bef Taxes to Sales	3.33	10.24
% Net Income to Sales	1.25	6.33
% Net Income to Equity	5.19	20.95
Sales to Inventories	3.12	2.93
Debt to Equity	1.49	1.28
Working Capital	$ 14,382,672	$ 13,123,446
Current Ratio	2.06	2.69
Shareholders Equity	$ 13,110,601	$ 12,250,991

Vishay Intertechnology, Inc.

63 Lincoln Highway
Malvern, Pennsylvania 19355-2120
(215) 644-1300
FAX: (215) 296-0657

Officers: Felix Zandman, chairman, president & chief executive officer; Robert A. Freece, v.p., treasurer & chief financial officer; Moshe Shamir, v.p.; William J. Spires, v.p. & secretary; Henry V. Landau, v.p.

Directors: Felix Zandman, chairman; Alfred P. Slaner, Robert A. Freece, Milton N. Scofield, Gerald N. Frank, Edward B. Shils, Avi D. Eden, Henry V. Landau, Guy Brana, Luella B. Slaner, Jean-Claude Tine

Areas of Work: Produces precision resistors and resistive devices, strain gages, electronic equipment to read and record the output of strain gages and strain gage transducers, services and equipment in visual and optical measurement sciences for the stress analysis field, with applications in dentistry, and technical teaching aids to colleges, technical schools, and industrial training institutes.

Divisions and Subsidiaries:

Resistive Systems Group

Resistive Systems Group Hq
63 Lincoln Highway
Malvern, Pennsylvania 19355-2120
(215) 644-1300

Vishay de Mexico S.A.
Tijuana, Mexico

Vishay Israel, Limited
2 Haofan Street
Holon, Israel

Vishay Micromesures S.A.
98 Boulevard Gabriel Peri
Malakoff 92240 France

Nippon Vishay Co., Ltd. (K.K.)
Machimoku Bldg.
Tokyo, 194, Japan

Vishay-Mann, Ltd.
Wymondham, Norfolk NR 180RA, England

Angstrohm Precision, Inc.
Hagerstown, Maryland
San Diego, California

GEKA, S.A.
Paris, France

Measurements Group, Inc.

Measurements Group Headquarters
P.O. Box 27777
Raleigh, North Carolina 27611

Instruments Division

Photolastic Division

Education Division

Micro-Measurements Division
38905 Chase Road
Romulus, Michigan 48174

Measurements Group GmbH
8032 Lochham
Am Lochhamer Schlag 6
Munich, West Germany

Dale Electronics, Inc.
1122 23rd Street
Columbus, Nebraska 68601

Manufacturer of electronic components, including resistors, inductors, connectors, transformers, plasma displays, and thermistors.

Former Corning Electronic Resistor Business

Bradford Electronics, Inc.
Bradford, Pennsylvania

Draloric Electronic GmbH
Selb, Marxgrun, Fichtelberg & Pfreind, West Germany

E-Sil Components Ltd.
Sunderland, United Kingdom

Sovcor, S.A.
Le-Vesinet, France

Transfer Agent(s):

American Stock Transfer, Inc.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: VSH

Number of Employees:

1990	8,500	1988	7,500
1989	9,000		

Sales & Earnings

	Net Sales ≠	Net Income
12/31/90	$ 445,596,000	$ 23,201,000
12/31/89	415,619,000	17,767,000
12/31/88*	175,820,000	8,083,000
6/30/88	108,951,000	15,517,000
6/30/87	59,043,000	10,242,000

	No. of Com Shares ‡	Earn per Share ‡
12/31/90	15,514,916	$ 1.71
12/31/89	12,398,754	1.43
12/31/88*	12,475,916	0.65
6/30/88	12,464,260	1.25
6/30/87	11,635,050	0.88

* 6 months
≠ Of continuing operations only
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/31/90	—	5%	—
12/31/89	—	—	—
12/31/88	—	—	3-for-2
6/30/88	—	5%	—
6/30/87	—	5% & 2%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/31/90	$ 177,839,000	$ 11.46
12/31/89	117,984,000	9.52
12/31/88	104,488,000	8.38
6/30/88	94,529,000	7.58
6/30/87	77,609,000	6.67

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 445,595,708	$ 415,619,365
Cost of sales	312,924,211	290,801,354
Expenses	77,740,659	76,467,423
Interest expense	19,425,880	21,067,986
Amort. of goodwill	1,551,841	1,502,034
Other income	(2,343,893)	(1,438,577)
Unusual item	2,441,247	801,595
Income before taxes	$ 33,855,763	$ 26,417,550
Income taxes	10,654,805	8,651,019
Net Income	$ 23,200,958	$ 17,766,531

* Included in Costs and Expenses, Depreciation and Amortization: $26,157,505 in 1990 and $22,288,201 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv	$ 16,069,038	$ 26,881,498
Acct. receiv., net	78,774,167	76,088,347
Other receivables	4,916,319	3,501,601
*Inventories	98,603,137	87,496,119
Prepaid expenses & other curr. assets	6,864,743	7,660,334
Current Assets	$ 205,227,404	$ 201,627,899
≠Fixed assets	166,345,748	150,911,522
Intangibles	56,052,207	57,439,517
Other assets	13,031,005	9,979,224
Total Assets	$ 440,656,364	$ 419,958,162

Liabilities

Notes payable	$ 10,312,698	$ 12,881,942
Long-term debt, curr	17,618,910	15,836,467
Accts payable	23,107,507	20,608,638
Payroll & rel expenses	18,384,697	16,408,451
Other accruals	11,858,892	16,893,549
Income taxes	3,560,442	3,053,659
Curr Liabilities	$ 84,843,146	$ 85,682,706
Long-term debt	140,212,668	186,182,228
Deferred taxes	18,163,706	13,088,552
Accrued pension costs	19,597,847	17,020,477
+ Common stock	1,105,778	862,587
+ Class B common stock	330,802	315,095
Add paid-in capital	101,172,945	52,792,009
Retained earnings	78,324,822	68,251,386
For curr trans adjust	(2,084,173)	(3,351,468)
Unearned comp	(1,011,177)	(885,410)
Total Liabilities & Shareholders' Equity	$ 440,656,364	$ 419,958,162

* At lower of cost (FIFO) or market

# Less accumulated depreciation

+ $0.10 par value

Statistical Summary

% Income before Taxes to Sales	7.60	6.36
% Net Income to Sales	5.21	4.27
% Net Income to Equity	13.05	15.06
Sales to Inventories	4.52	4.75
Debt to Equity	0.95	1.82
Working Capital	$ 120,384,258	$ 115,945,193
Current Ratio	2.42	2.35
Shareholders' Equity	$ 177,838,997	$ 117,984,199

Vitronics Corporation

4 Forbes Road
Newmarket Industrial Park
Newmarket, New Hampshire 03857
(603) 659-6550
FAX (603) 659-7194

Officers: James J. Manfield, Jr., chairman of the board, president & chief executive officer; Albert J. Chanasyk, v.p.-engineering; Edward A. Richards, v.p.-sales & marketing; David L. Lougee, clerk; David G. Mayo, corp. controller, assistant treasurer & chief accounting officer; Lorraine D. Giordano, asst. clerk & manager of human resources.

Directors: James J. Manfield, Jr., chairman; Allan M. Doyle, Jr., David L. Lougee, David A. Steadman, Allen H. Keough, Edward A. Richards.

Areas of Work: Engaged in the design, engineering, manufacture and marketing of state-of-art thermal process and associated systems for the production soldering and cleaning of surface-mounted devices to printed circuit boards. The Company's thermal process equipment is also used in the production soldering of ceramic hybrids, semiconductors and glass/epoxy and adhesive curing, thermoplastic processing, touch membrane and flexible circuit processing and graphics processing.

Subsidiary:

Vitronics Energy Systems, Inc.
Newmarket, New Hampshire
Markets the Company's products to the electronics industry.

Vitronics Europe Limited
Bush Park Estover Industrial Estate
Plymouth, England
Manufactures and markets the Company's products for the European market.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: VTC

Number of Employees:

1990	120	1988	133
1989	138	1987	95

Plant Footage:

1990	N.A.	1988	71,000
1989	65,990 sq. ft.	1987	50,500

N.A.-Not available

Sales & Earnings

	Net Sales	Met Income †
1990	$ 18,168,000	$ 702,000
1989	20,575,000	827,000
1988	16,544,000	528,000
1987	10,527,000	612,000
1986	7,162,000	302,000

	No. of Com Shares ‡	Earn per Share † ‡
1990	3,935,530	$ 0.18
1989	4,194,718	0.20
1988	4,181,971	0.13
1987	4,169,600	0.15
1986	3,788,809	0.08

† Including extraordinary gains of $159,000 ($0.04 per share) in 1990, $30,000 ($0.01 per share) in 1988 and $95,000 ($0.03 per share) in 1986.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 6,527,000	$ 1.66
1989	6,157,000	1.47
1988	5,337,000	1.28
1987	4,492,000	1.08
1986	4,128,000	1.09

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 18,168,000	$ 20,575,000
Cost of sales	9,802,000	10,589,000
Expenses		
Sell., gen., & adm	5,582,000	6,233,000
Research & develop	1,533,000	2,039,000
Other expenses	329,000	377,000
Income before taxes	$ 922,000	$ 1,337,000
Income taxes	379,000	510,000
Net Income	$ 543,000	$ 827,000
Extraord. gain	159,000	
Net Income & extraord. gain	$ 702,000	$ 827,000

* Included in Costs and Expenses, Depreciation and Amortization: $437,000 in 1990 and $415,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv	$ 2,416,000	$ 3,516,000
Accts. receiv., net	3,443,000	3,638,000
*Inventories	3,448,000	3,187,000
Prepaid inc. taxes	347,000	264,000
Other curr. costs	325,000	166,000
Current Assets	$ 9,979,000	$ 10,771,000
Investments	295,000	513,000
#Fixed assets	991,000	702,000
Other assets	1,127,000	1,387,000
Total Assets	$ 12,392,000	$ 13,373,000

Liabilities

Long-term debt, curr	$ 315,000	$ 128,000
Accts. payable	1,203,000	1,271,000
Income taxes	328,000	368,000
Other current liabilities	1,435,000	1,908,000
Curr. Liabilities	$ 3,281,000	$ 3,675,000
Long-term debt	2,584,000	3,541,000
+Common stock	39,000	42,000
Add. paid-in capital	4,043,000	4,251,000
Retained earnings	2,407,000	2,040,000
For. curr. trans.	104,000	(10,000)
Unrealized loss on eq secur	(66,000)	(166,000)
Total Liabilities & Shareholders' Equity	$ 12,392,000	$ 13,373,000

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.07	6.50
% Net Income to Sales	2.99	4.02
% Net Income to Equity	8.32	13.43
Sales to Inventories	5.27	6.46
Debt to Equity	0.44	0.60
Working Capital	$ 6,698,000	$ 7,096,000
Current Ratio	3.04	2.93
Shareholders' Equity	$ 6,527,000	$ 6,157,000

Wang Laboratories, Inc.

One Industrial Avenue
Lowell, Massachusetts 01851
(508) 459-5000
FAX (508) 452-0896

Officers: Richard W. Miller, chairman of the board & chief exec. officer; Michael F. Mee, exec. v.p. & chief financial officer; Joseph M. Tucci, exec. v.p.-operations; Edward D. Grayson, sr. v.p., general counsel, clerk & secretary; Raymond C. Cullen, Jr., sr. v.p.- customer support services; William P. Ferry, sr. v.p.-applications; Edward J. Devin, sr. v.p.-human resources; Michael P. Downes, sr. v.p.-manufacturing; Kenneth A. Olisa, sr. v.p.-Europe, Africa & Middle East Operations; Louis B. Green, sr. v.p.-purchasing & administrative services; Paul Guzzi, sr. v.p.-corp. communications & external relations; Horace Tsiang, exec. v.p. & chief development officer; John T. Chambers, sr. v.p.-U.S. operations; Edward V. Yang, sr. v.p.-Americas, Asia/Pacific operations.

Directors: Richard W. Miller, chairman of the board; Peter A. Brooke, Frederick A. Wang, Lorraine C. Wang, Courtney S. Wang, Harry H.S. Chou, Ernest F. Stockwell, Jr., Martin Kirkpatrick, Louis W. Cabot, Howard R. Swearer, Paul E. Tsongas, Horace Tsiang.

Areas of Work: Designs, manufactures, markets and services computers and related peripheral devices for the office automation marketplace. These products are combined into systems which perform data processing, word processing, audio processing and image processing functions and include networking products which enable such systems to communicate with each other.

Subsidiaries:

Wang Australia Pty. Ltd.
168 Walker Street
North Sydney, N.S.W. 2060, Australia

Wang Gesellschaft m.b.H
Linke Wienzeille 234
A-1150 Vienna, Austria

Wang Belgium
Rue du Planeur 10
B1130 Brussels, Belgium

Wang Canada, Ltd.
66 Leek Crescent
Richmond Hill
Ontario L4B 1J7, Canada

Wang Industrial Co. Ltd.
56 Tun Hwa N. Road
Taipei, Taiwan

Wang (UK) Ltd.
Wang House
1000 Great West Road
Brentford
Middlesex, TW8 9HL, United Kingdom

Wang Computer Limited
Hazama Building 14th Floor
5-8, Kita Aoyama 2-Chome
Minato-Ku, Tokyo 107, Japan

Wang New Zealand Limited
Wang Terraces
9 City Road
P.O. Box 8804
Aukland, New Zealand

Wang Computer (Pte.) Ltd.
101 Thomson Road, 12-00
United Square
Singapore 1130, Republic of Singapore

Wang France S.A.
Tour Gallieni 1
78/80 Avenue Gallieni
93174 Bagnolet, France

Wang Deutschland, GmbH
Lyoner Strasse 26
Postfach 710 570 6000, Federal Republic of Germany

Wang Nederland B.V.
Costerweg 12
4104 AJ Culemborg, Netherlands

Wang Svenska AB
Box 1196
S-171 23 Solna, Sweden

Wang Italia, S.p.A.
Centro Terziario
Strada Statale, Padana Superoire
Vimodrone 20090
Milano, Italy

Wang (Schweiz) A.G.
Talackerstrasse 7
CH-8152 Glattbrugg
P.O. Box 8065
Zurich, Switzerland

Wang Pacific Limited
31st Floor, Hennessy Centre
Causeway Bay
500 Hennessy Road,
Hong Kong

Wang Computadoras, Inc.
Metro Office Park
Call Box 2106
Caparra Heights 00922 Puerto Rico

Wang Ireland Limited
Wang House
Harcourt Centre
Harcourt Street
Dublin 2, Ireland

Wang de Panama S.A.
Apartado 6425
Samuel Lewis Gerardo Ortega
Panama City 5, Panama

Wang de Mexico S.A. de C.V.
Mexico

Wang Computer Korea, Ltd.
Seoul 150, Korea

Wang Espana S.A.
Madrid 28042, Spain

Wang Informatics Legal and Professional Systems, Inc.
2111 East Highland Avenue
Suite 400
Phoenix, Arizona

Wang Information Services Co.
One Industrial Avenue
Lowell, Massachusetts 01851
Telecommunications and voice mail services

Transfer Agent(s):

Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): American, Swiss

Ticker Symbol: WAN

Number of Employees:

1990	23,000	1987	30,306
1989	29,200	1986	31,628
1988	31,516		

Plant Footage:

1990	N.A.	1987	2,800,000
1989	3,000,000 sq. ft.	1986	N.A.
1988	3,000,000		

N.A. - Not Available

Sales & Earnings

	Revenues +	Net Income
1990	$ 2,497,200,000	$ (715,900,000)
1989	2,909,900,000	(424,300,000)
1988	2,951,900,000	92,700,000
1987	2,751,300,000	(70,700,000)
1986	2,615,300,000	50,900,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	164,600,000	$ —
1989	163,600,000	—
1988	165,700,000	0.56
1987	159,800,000	—
1986	146,600,000	0.35

(Loss)
+ Of continuing operations only
‡ Based on the weighted average number of Class B Common and Class C Common shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990 Class B	$ —	—	—
1990 Class C	—	—	—
1989 Class B	0.16	—	—
1989 Class C	0.11	—	—
1988 Class B	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 414,900,000	$ 2.51
1989	1,130,800,000	6.90
1988	1,586,100,000	9.67
1987	1,486,200,000	9.15
1986	1,447,600,000	9.59

Income Account *
(000's)

Year ended June 30	1990	1989
Revenues		
Net sales	$ 1,557,800	$ 1,904,900
Service & other revenues	939,400	1,005,000
Total revenues	$ 2,497,200	$ 2,909,900
Cost of revenues	1,436,500	1,564,000
Expenses	1,185,100	1,413,100
Restruc. costs	388,300	142,000
Interest expense	76,300	80,300
Other income	(6,600)	(23,200)
Loss before taxes	$ (582,400)	$ (266,300)
Income taxes	46,200	57,900
Loss-cont. oper.	$ (628,600)	$ (324,200)
Loss-discont. oper.	(87,300)	(100,100)
Net Loss	$ (715,900)	$ (424,300)

* Included in Costs and Expenses, Depreciation: $224,800,000 in 1990 and $268,700,000 in 1989

Assets
(000's)

As of June 30	1990	1989
Cash & cash equiv.	$ 169,100	$ 258,700
Accts. receiv., net	480,900	536,100
*Inventories	245,700	359,600
Prepaid expenses & other curr. assets	100,600	105,800
Assets held for sale	66,100	39,600
Net assets-discont. oper.	20,000	27,500
Current Assets	$ 1,082,400	$ 1,327,300
≠Fixed assets	539,500	687,300
≠Spare parts	192,000	266,200
Investments & other assets	125,300	203,300
Net assets-discont. oper.	7,000	247,200
Total Assets	$ 1,946,200	$ 2,731,300

Liabilities
(000's)

Notes payable	$ 7,500	$ 83,600
Commercial paper	—	125,500
Long-term debt, curr.	57,100	128,400
Accts. payable & accruals	621,800	463,500
Unearned serv. revenue	161,200	162,400
Income taxes	24,500	3,200
Dividends payable	—	6,500
Curr. Liabilities	$ 872,100	$ 973,100
Long-term debt	556,100	627,400
Other liabilities	66,000	—
Minority interest	37,100	—
+Class B Common	79,900	79,200
+Class C Common	2,900	2,900
Add. paid-in capital	953,800	948,300
For. curr. trans. adj.	(83,200)	(75,800)
Retained earnings (deficit)	(537,900)	178,800
Treasury stock	(600)	(2,600)
Total Liabilities & Shareholders' Equity	$ 1,946,200	$ 2,725,700

* At lower of cost (FIFO) or market.
≠ Less accumulated depreciation and amortization.
+ $0.50 par value

Statistical Summary

Debt to Equity	1.50	0.85
Working Capital	$ 210,300,000	$ 354,200,000
Current Ratio	1.24	1.36
Shareholders' Equity	$ 414,900,000	$ 1,130,800,000

Washington Scientific Industries, Inc.

2605 West Wayzata Boulevard
Long Lake, Minnesota 55356
(612) 473-1271
FAX (612) 473-2945

Officers: C.W. Dinsmore, president & chief exec. officer; Terry J. Blount, v.p.-human resources; Bernard E. Kinney, v.p.-finance; William J. Lucke, v.p.-contract manufacturing division, George E. Rathke, v.p.-contract manufacturing; William M. Booth, v.p.; Gerald E. Magnuson, secretary.

Directors: A.E. Abramson, Paul Baszucki, Warren G. Christianson, C.W. Dinsmore, Melvin L. Katten, Gerald E. Magnuson, George J. Martin, T.E. Larson, Eugene Mora.

Area of Work: The Company, through its two operating divisions, manufactures precision-machined metal and plastic injection molded components and subassemblies, hydraulic motors and mechanical power transmission gearboxes for a variety of industries.

Divisions:

Contract Services Division

Advanced Custom Molders, Inc.
Georgetown, El Paso, Texas
Manufactures precision plastic components for a variety of industries.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WSCI (NASDAQ)

Number of Employees:

1990	739	1987	393
1989	814	1986	404
1988	685		

Sales & Earnings

	Net Sales	Net Income
1990	$ 73,627,000	$ 56,000
1989	61,503,000	2,948,000
1988	36,776,000	69,000
1987	29,267,000	1,698,000
1986	24,516,000	376,000

	No. of Com. Shares ‡	Earn per Share ‡
1990	2,378,942	$ 0.02
1989	2,383,694	1.24
1988	2,461,831	0.03
1987	2,475,779	0.69
1986	2,437,471	0.15

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1990	1989
Contract manufacturing	$ 54,702,000	$ 42,212,000
Plastic injection molding	18,925,000	19,291,000
Total	$ 73,627,000	$ 61,503,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.190	—	—
1989	0.155	—	—
1988	0.150	—	—
1987	0.150	—	—
1986	0.100	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 17,228,000	$ 7.24
1989	17,587,000	7.41
1988	15,873,000	6.44
1987	16,298,000	6.56
1986	14,804,000	6.04

Income Account *

Year ended	8/26/90	8/27/89
Net sales	$ 73,626,717	$ 61,502,786
Cost of sales	66,150,782	50,262,039
Expenses	6,083,154	6,282,314
Prov. for costs rel. to restruc.	—	(73,312)
Interest income	(343,576)	(438,489)
Interest expense	1,474,501	1,301,950
Income before taxes	$ 261,856	$ 4,168,284
Income taxes	206,000	1,637,000
Inc.-cont. oper.	$ 55,856	$ 2,531,284
Inc.-discont. oper.	—	417,291
Net Income	$ 55,856	$ 2,948,575

* Included in Costs and Expenses, Depreciation and Amortization: $3,824,760 in 1990 and $3,434,062 in 1989.

Assets

As of	8/26/90	8/27/89
Cash & cash equiv.	$ 670,345	$ 4,156,680
Accts. receiv., net	8,033,782	11,477,774
Refundable taxes	766,554	—
Deferred tax charges	78,000	30,000
*Inventories	5,925,819	6,703,650
Prepaid expenses	254,251	347,342
Current Assets	$ 15,728,751	$ 22,715,446
#Fixed assets	21,508,295	21,090,742
Exc. of cost over assets acq.	2,981,913	3,282,713
Other assets	474,893	416,554
Total Assets	$ 40,693,852	$ 47,505,455

Liabilities

Note payable	$ 3,825,000	$ 5,825,000
Long-term debt, curr.	1,003,948	1,137,345
Accts. payable	3,928,805	6,524,837
Accrued payroll	1,383,802	2,047,501
Accrued pension contrib.	505,426	274,748
Accrued real est. taxes	261,090	200,281
Other accruals	754,538	966,445
Inc. taxes payable	—	364,045
Curr. Liabilities	$ 11,662,609	$ 17,340,202
Long-term debt	10,279,809	11,279,390
Deferred inc. taxes	1,523,133	1,299,133
+Common stock	238,040	237,440
Add. paid-in capital	1,396,365	1,359,215
Retained earnings	15,593,896	15,990,075
Total Liabilities & Shareholders' Equity	$ 40,693,852	$ 47,505,455

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	0.36	—
% Net Income to Sales	0.08	—
% Net Income to Equity	0.32	16.77
Sales to Inventories	12.42	9.17
Debt to Equity	0.88	1.04
Working Capital	$ 4,066,142	$ 5,537,244
Current Ratio	1.35	1.31
Shareholders' Equity	$ 17,228,301	$ 17,586,730

Waters Instruments, Inc.

2411 Seventh Street, N.W.
Valley High Industrial Park
Rochester, Minnesota 55903
(507) 288-7777
FAX (507) 288-7218

Mailing Address
P.O. Box 6117
Rochester, Minnesota 55903-6117

Officers: Robert J. Pitel, president & CEO & treasurer & CFO; Stewart D. Siebens, chairman of the board; Darryl H. Wicklund, v.p.-finance, treasurer & chief financial officer; Peter Kozachok, v.p.-sales; Robert D. Dunbar, v.p.- manufacturing.

Directors: Stewart D. Siebens, chairman; Charles A. Elliott, Robert J. Pitel, J. William McRoberts, George Waters, Charles G. Schiefelbein.

Groups:

Farm Products Group
Rochester, Minnesota
Manufactures electric fence chargers for farm use.

Sub Contract Group
Rochester, Minnesota
Engaged in sub-contract manufacturing of cable harness assemblies and other electric or mechanical assemblies for computer equipment manufacturers.

Medical Group
Rochester, Minnesota
Produces electro-medical equipment and analytical instruments for hospital and laboratory use. Oximeters for measuring the oxygen saturation of human blood, cardiac out-put computers for determining heart function and "MOX" 100 kidney preservation equipment used in kidney transplant surgery.

Transfer Agent(s):

Norwest Capital Resources, Norwest Bank Minnesota, N.A.
South St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WTRS (NASDAQ)

Sales & Earnings

	Net Sales	Net Income ‡
1991	$ 11,118,000	$ (532,000)
1990	12,321,000	85,000
1989	12,300,000	284,000
1988	12,210,000	361,000
1987	11,909,000	102,000

	No. of Com. Shares †	Earn. per Share ‡ +
1991	1,454,271	$ —
1990	1,445,871	0.06
1989	1,445,871	0.20
1988	1,445,871	0.25
1987	1,433,071	0.07

(Loss)
‡ Including extraordinary gain of $301,000 ($0.21 per share) in 1988.
† Adjusted to reflect stock split.
+ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1991	1990
Wire & cable products	$ 2,857,000	$ 3,716,000
Farm products	5,724,000	5,946,000
Medical systems	2,537,000	2,659,000
Total	$ 11,118,000	$ 12,321,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1991	$ 0.125	—	—
1990	0.08	—	—
1989	0.08	—	—
1988	0.05	—	—
1987	0.05	—	3-for-2

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1991	$ 4,831,000	$ 3.32
1990	5,524,000	3.82
1989	5,555,000	3.84
1988	5,387,000	3.73
1987	5,042,000	3.52

Income Account *

Year ended Jan. 31	1991	1990
Net sales	$ 11,118,000	$ 12,321,000
Cost of sales	8,039,000	8,909,000
Expenses	3,214,000	3,389,000
Oper. profit (loss)	$ (135,000)	$ 23,000
Interest income	(144,000)	(145,000)
Interest expense	23,000	35,000
Transition costs	806,000	—
Inc. (loss) bef. taxes	$ (820,000)	$ 133,000
Income taxes (credit)	(288,000)	48,000
Net Income (Loss)	$ (532,000)	$ 85,000

* Included in Costs and Expenses, Depreciation and Amortization: $176,000 in 1990 and $195,000 in 1989.

Assets

As of Jan. 31	1991	1990
Cash	$ 440,000	$ 539,000
Short-term invest.	1,742,000	1,817,000
Receiv., net	1,101,000	1,478,000
*Inventories	1,507,000	1,833,000
Refund. inc. taxes	219,000	140,000
Deferred inc. tax benefit	197,000	133,000
Prepaid expenses	68,000	45,000
Current Assets	$ 5,274,000	$ 5,985,000
#Fixed assets	1,077,000	1,090,000
Cost in exc. of assets acq.	192,000	210,000
Investments	20,000	44,000
Total Assets	$ 6,563,000	$ 7,329,000

Liabilities

Long-term debt, curr	$ 9,000	$ 273,000
Accts. payable	602,000	777,000
Accrued payroll	746,000	508,000
Other accruals	332,000	154,000
Curr. Liabilties	$ 1,689,000	$ 1,712,000
Long-term debt	26,000	36,000
Deferred inc. taxes	17,000	57,000
+Common stock	145,000	144,000
Add. paid-in capital	1,227,000	1,208,000
Retained earnings	3,459,000	4,172,000
Total Liabilities & Shareholders' Equity	$ 6,563,000	$ 7,329,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value

Statistical Summary

% Income bef. Taxes to Sales	—	1.08
% Net Income to Sales	—	0.69
% Net Income to Equity	—	1.54
Sales to Inventories	7.38	6.72
Debt to Equity	0.01	0.06
Working Capital	$ 3,585,000	$ 4,273,000
Current Ratio	3.12	3.50
Shareholders' Equity	$ 4,831,000	$ 5,524,000

Watkins-Johnson Company

Stanford Research Park
3333 Hillview Avenue
Palo Alto, California 94304-1204
(415) 493-4141
FAX: (415) 493-1027

Officers: Dean A. Watkins, chairman of the board; H. Richard Johnson, vice chairman; W. Keith Kennedy, Jr., president & chief executive officer; Keith D. Gilbert, v.p.-Defense Group; Bernard Rosen, v.p.; Ronald D. Lessack, v.p.-Commercial Group; Peter S. Pao, v.p.; Carl L. Avelar, v.p. & chief financial officer; Richard P. Hollis, v.p.; James L. Schram, v.p.; Paul Y. Lin, v.p.; Richard G. Bell, v.p. & general counsel; Scott G. Buchanan, treasurer; Carol H. Roosen, secretary.

Directors: Dean A. Watkins, chairman; H. Richard Johnson, John J. Hartmann, Rita R. Campbell, Jack L. Shepard, Von R. Eshleman, Raymond F. O'Brien, W. Keith Kennedy, Jr., William R. Graham.

Areas of Work: Engaged in the development, design and production of receiving equipment for surveillance, direction finding and countermeasures; antenna-to-data-reduction reconnaissance and surveillance systems; solid-state amplifiers and subsystems travelling-wave and backward-wave tubes and oscillators, tuners, receivers and computer-controlled microwave receiving systems and environmental consulting.

Divisions:

Defense Group:

Commercial Group:

Components Division
Subsystems Division
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Electronic Systems Division
San Jose, California

CET Division
Gaithersburg, Maryland

Commercial Equipment Division
Scotts Valley, California

Subsidiaries:

Watkins-Johnson Associates
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson International
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson Limited
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson Italiana, S.p.A.
Rome, Italy

Watkins-Johnson FSC
Foreign Sales Corporation

Watkins-Johnson (UK) Limited
England

R.L. Stollar & Associates
Santa Ana, California

Transfer Agent(s):

Bank of America
Corporate Agency Service Center
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): New York, Philadelphia, Pacific, Boston

Ticker Symbol: WJ

Number of Employees:

1990	3,180	1987	3,130
1989	3,160	1986	3,150
1988	3,150		

Plant Footage:

1990	1,029,000 sq. ft.	1987	950,000
1989	1,010,000	1986	920,000
1888	1,010,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 311,850,000	$ 13,030,000
1989	310,701,000	18,724,000
1988	292,205,000	20,598,000
1987	264,251,000	17,116,000
1986	255,382,000	17,241,000

	No. of Com. Shares +	Earn. per Share +
1990	7,791,151	$ 1.67
1989	8,403,585	2.23
1988	8,380,888	2.46
1987	8,364,303	2.05
1986	8,752,569	1.97

+ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990
Defense	$31,284,000
Commercial	71,724,000
Environmental services	9,778,000
Eliminations	(936,000)
Total	$11,850,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.48	—	—
1989	0.46	—	—
1988	0.40	—	—
1987	0.40	—	—
1986	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 143,975,000	$ 19.15
1989	149,147,000	17.74
1988	134,097,000	15.98
1987	116,470,000	13.92
1986	102,557,000	12.30

Watkins-Johnson Company

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 311,850,000	$ 310,701,000
Cost of sales	203,643,000	197,739,000
Expenses	90,679,000	86,533,000
Interest income	(1,563,000)	(2,429,000)
Interest expense	1,644,000	1,905,000
Other income	(1,258,000)	(1,374,000)
Income before taxes	$ 18,705,000	$ 28,327,000
Income taxes	5,675,000	9,603,000
Net Income	$ 13,030,000	$ 18,724,000

* Included in Costs and Expenses, Depreciation and Amortization: $12,427,000 in 1990 and $12,222,000 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 17,190,000	$ 26,572,000
Receiv., net	90,797,000	86,556,000
*Inventories	47,931,000	46,518,000
Claims receiv. & other	2,778,000	9,544,000
Current Assets	$ 158,696,000	$ 169,190,000
#Fixed assets	59,715,000	51,310,000
Deferred inc. taxes	2,580,000	1,911,000
Other assets	1,772,000	4,353,000
Total Assets	$ 222,763,000	$ 226,764,000

Liabilities

	1990	1989
Notes payable	$ 697,000	$ 453,000
Accts. payable	12,159,000	13,428,000
Accruals	12,564,000	11,129,000
Advances on contracts	16,793,000	11,099,000
Payroll & prof. sharing	15,392,000	17,597,000
Income taxes	1,724,000	1,442,000
Curr. Liabilities	$ 59,329,000	$ 55,148,000
Long-term oblig.	19,459,000	22,469,000
+ Common stock	7,521,000	8,289,000
Retained earnings	136,454,000	140,858,000
Total Liabilities & Shareholders' Equity	$ 222,763,000	$ 226,764,000

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	6.00	9.12
% Net Income to Sales	4.18	6.03
% Net Income to Equity	9.05	12.55
Sales to Inventories	6.51	6.68
Debt to Equity	0.14	0.15
Working Capital	$ 99,367,000	$ 114,042,000
Current Ratio	2.67	3.07
Shareholders' Equity	$ 143,975,000	$ 149,147,000

Wavetek

9145 Balboa Avenue
San Diego, California 92123
(619) 450-9971
FAX: (619) 450-0325

NOTE: The Company announced on Feb. 25, 1991, that its Board of Directors had entered into an agreement in principle with Torrey Investments Inc. whereby Torrey Investments would acquire Wavetek Corporation by merger. Torrey Investments was formed for the purpose of acquiring a controlling interest in a medium-sized U.S. based technology company.

Officers: David B. Pivan, chairman of the board; C. Fredrick Sehnert, president & chief exec. officer; Lawrence C. Dolan, v.p.-worldwide operations; John F. Kessler, chief financial officer; Daniel L. Sullivan, v.p.-human resources; Sandra M. Walker, secretary; Harold A. Stitt, v.p.-marketing.

Directors: David B. Pivan, chairman; C. Fredrick Sehnert, David M. Goodman, J. Garrett Fitzgibbons, Joel A. Naive, Katherine P. Naive, John M. Thornton.

Areas of Work: Designs, manufactures and distributes test and measurement instrumentation on a worldwide basis. These products are used in laboratory, education, aerospace, communications, and defense applications involving the design, evaluation, manufacture and maintenance of electronic devices, equipment and systems.

Subsidiaries:

Wavetek RF Products, Inc.
5808 Churchman Bypass
Indianapolis, Indiana 46203
(317) 788-9351

Wavetek Electronics GmbH
Freisinger Str 34
D-8045 Ismaning, Germany

Wavetek Microwave, Inc.
488 Tasman Drive
Sunnyvale, California 94089

Wavetek San Diego, Inc.
9045 Balboa Avenue
San Diego, California 92123

Datron Instruments, Ltd.
Hurricane Way
Norwich NR6 6JB, England

Designs, develops and manufactures premium digital multimeters, calibrators, waveform analyzers and pulse generators.

Transfer Agent(s):

Union Bank
P.O. Box 2529
8155 Mercury Court
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WVTK (NASDAQ)

Number of Employees:

1990	847	1987	1,248
1989	904	1986	1,082
1988	1,007		

Plant Footage:

1990	440,262 sq. ft.	1989	450,323

Sales & Earnings

	Net Sales #	Net Income †
1990	$ 90,605,000	$ 1,064,000
1989	85,190,000	895,000
1988	84,293,000	(7,614,000)
1987*	82,536,000	3,850,000
1986	73,824,000	3,081,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	8,951,000	$ 0.12
1989	8,904,000	0.10
1988	8,889,000	—
1987*	9,193,000	0.42
1986	9,120,000	0.34

( ) Loss
* 53 weeks.
# Of continuing operations only; includes other income.
† Including extraordinary gains of $1,045,000 ($0.12 per share) in 1990 and $824,000 ($0.09 per share) in 1987.
‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 61,611,000	$ 6.88
1989	58,913,000	6.62
1988	58,205,000	6.55
1987	68,442,000	7.45
1986	64,163,000	7.04

Income Account *

Year ended Sept. 30	1990	1989
Net sales	$ 90,605,000	$ 85,190,000
Cost of sales	48,739,000	46,479,000
Expenses	40,592,000	36,284,000
Lawsuit settlement	—	575,000
Interest expense	463,000	803,000
Interest income	(319,000)	(306,000)
Income bef. taxes	$ 1,130,000	$ 1,355,000
Income taxes	1,111,000	460,000
Net Income	$ 19,000	$ 895,000
Extraord. gain	1,045,000	—
Net Income & extraord. gain	$ 1,064,000	$ 895,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,480,000 in 1990 and $4,301,000 in 1989.

Assets

As of Sept. 30	1990	1989
Cash & cash equiv.	$ 4,790,000	$ 2,036,000
Receiv., net	16,829,000	16,372,000
Income taxes refundable	949,000	430,000
*Inventories	20,443,000	22,925,000
Other curr. assets	659,000	625,000
Current Assets	$ 43,670,000	$ 42,388,000
#Fixed assets	19,541,000	20,473,000
Goodwill	15,834,000	12,584,000
Other assets	128,000	191,000
Total Assets	$ 79,173,000	$ 75,636,000

Liabilities

	1990	1989
Notes payable	$ 500,000	$ 408,000
Long-term debt, curr.	195,000	167,000
Accts. payable	4,469,000	3,377,000
Income taxes	704,000	179,000
Accrued payroll	2,474,000	2,419,000
Accrued commissions	1,051,000	1,161,000
Other curr. liab.	3,085,000	3,434,000
Curr. Liabilities	$ 12,478,000	$ 11,145,000
Long-term debt	2,679,000	2,816,000
Deferred inc. taxes	2,405,000	2,762,000
+Common stock	8,952,000	8,920,000
Add. paid-in capital	42,155,000	42,074,000
Retained earnings	9,594,000	8,530,000
Cum. trans. adj.	910,000	(611,000)
Total Liabilities & Shareholders' Equity	$ 79,173,000	$ 75,636,000

* At cost (FIFO) not in excess of market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	1.25	1.59
% Net Income to Sales	0.02	1.05
% Net Income to Equity	0.03	1.52
Sales to Inventories	4.43	3.72
Debt to Equity	0.05	0.06
Working Capital	$ 31,192,000	$ 31,243,000
Current Ratio	3.50	3.80
Shareholders' Equity	$ 61,611,000	$ 58,913,000

WEIGH-TRONIX, Inc.

1000 Armstrong Drive
Fairmont, Minnesota 56031
(507) 238-4461
FAX (507) 238-9363

Officers: Salvatore Vinciguerra, president & chief exec officer; Brian H. Kent, chairman of the board; Vincent D. DelSantro, v.p.-mfg.; gen. mgr., Fairmont facility; David R. McManamy, v.p.-finance & treasurer; Leonard J. Kistner, v.p.-marketing; Randy J. Newlin, v.p.-sales, industrial prods.; Roderick D. Armitage, secretary; David Castle, v.p.-manufacturing & gen. mgr.-Santa Rosa; Lance Barnes, asst. secretary & controller.

Directors: Arthur W. Schwalm, Angelo E. Agliardo, Richard E. Brown, Roderick D. Armitage, James L. Koley, Herbert H. Davis, Jr., Richard S. Bradley, Brian H. Kent.

Areas of Work: The company designs, manufactures and markets electronic weighing equipment.

Divisions:

NCI
Engaged in the design and manufacture of scale based systems used by retail stores, mail rooms and shipping departments, food processors and inventory control applications in industry.

Dillon
Engaged in the business of tension and compression force measurement. Three of the more common uses are for product development, quality assurance, and the utilities industry.

Weigh-Tronix
Manufactures scale equipment which serves the transportation, agriculture and material handling markets.

Transfer agent(s):

Mellon Bank
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WGHT

Number of Employees:

1990	673	1988	732
1989	736		

Plant Footage:

1990	396,800 sq. ft.	1988	331,200
1989	357,200		

Sales & Earnings

	Net Sales	Net Income
3/31/90	$ 59,894,035	$ 3,126,022
4/1/89	57,970,241	3,132,302
3/31/88	61,321,342	4,382,498
12/31/86	16,504,858	1,409,867

	No. of Com Shares	Earn. per Share +
3/31/90	2,651,394	$ 1.14
4/1/89	2,645,644	1.18
3/31/88	2,592,563	1.69
12/31/86	2,539,058	0.72

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
3/31/90	$ 0.40	—	—
4/1/89	0.40	—	—
3/31/88	0.40	—	—
12/31/86	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
3/31/90	$ 25,876,233	$ 9.76
4/1/89	23,825,484	9.01
3/31/88	20,619,778	7.95
12/31/86	16,242,268	6.49
12/31/85	10,055,683	—

Income Account *

Year ended	3/31/90	4/1/89
Net sales	$ 59,894,035	$ 57,970,241
Cost of sales	37,135,873	35,673,127
Expenses	14,144,099	13,066,584
Interest income	(55,615)	(14,109)
Interest expense	863,814	1,014,406
Other expense (income)	(72,493)	4,017
Income before taxes	$ 4,932,112	$ 5,055,597
Income taxes	1,806,090	1,923,295
Net Income	$ 3,126,022	$ 3,132,302

* Included in Costs and Expenses, Depreciation and Amortization: $2,502,767 and $2,327,605 in 1989.

Assets

As of	3/31/90	4/1/89
Cash & cash equiv.	$ 40,787	$ —
Accts. receiv., net	10,233,206	10,945,354
Refundable taxes	—	323,000
*Inventories	15,072,370	16,909,600
Prepaid expenses	243,914	247,215
Def. inc. tax benefits	1,368,650	894,745
Current Assets	$ 26,958,927	$ 29,319,914
#Fixed assets	12,889,541	12,653,800
Intangibles	7,535,762	3,535,439
Total Assets	$ 47,384,230	$ 45,509,153

Liabilities

Long-term debt, curr.	$ 3,919,440	$ 3,119,539
Cap. lease oblig., curr.	59,852	—
Accts. payable	3,407,365	3,747,088
Accruals	4,346,867	2,605,428
Current Liabilities	$ 11,733,524	$ 9,472,055
Long-term debt	6,481,667	11,113,194
Cap. lease oblig.	34,302	—
Def. inc. taxes	1,352,149	1,098,420
Redeem. pref. stock - subsid.	1,906,355	—
+Common stock	26,844	26,787
Add. paid-in capital	9,201,491	9,121,048
Retained earnings	16,995,356	15,025,107
Treasury stock	(347,458)	(347,458)
Total Liabilities & Shareholders' Equity	$ 47,384,230	$ 45,509,153

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	8.23	8.72
% Net Income to Sales	5.22	5.40
% Net Income to Equity	12.08	13.15
Sales to Inventories	3.97	3.43
Debt to Equity	0.41	0.60
Working Capital	$ 15,225,403	$ 19,847,859
Current Ratio	2.30	3.10
Shareholders Equity	$ 25,876,233	$ 23,825,484

Weldotron Corporation

1532 South Washington Avenue
Piscataway, New Jersey 08855-3816
(201) 752-6700
FAX: (212) 227-6663

Officers: Martin Siegel, chairman & president; Seymour G. Siegel, v.p.-finance, secretary and treasurer; Albert W. Sanders, v.p. & controller; Roger E. Spreen, v.p., finance; secretary & treasurer.

Directors: Martin Siegel, chairman; Seymour G. Siegel, Isidore Siegel, Robert P. Gibbons, Albert H. Cohen.

Areas of Work: Engaged in two areas of activity: Packaging, and Communications and Controls. The Packaging Systems Group manufactures and markets a comprehensive line of packaging systems for a broad range of industrial and consumer applications as well as innovative food packaging and weighing systems for supermarkets and fresh food processors. The Communications and Controls Group manufactures electronic systems for personnel safety and controls for monitoring high speed, automatic, production machinery.

Divisions and Subsidiaries:

Industrial Packaging Systems
1532 S. Washington Avenue
Piscataway, New Jersey 08854

Food Packaging Systems
1532 S. Washington Avenue
Piscataway, New Jersey 08854

Communications & Controls
Piscataway, New Jersey

Vision System Technologies
Valiant, IMC

Omnipack Machinery Corp.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: WLD

Sales & Earnings

	Net Sales	Net Income
1991	$ 35,145,000	$ 3,352,000
1990	41,600,000	(3,347,000)
1989	42,417,000	(2,411,000)
1988	39,870,000	(656,000)
1987*	26,641,000*	(1,516,000)

	No. of Com Shares ‡	Earn. per Share † ‡
1991	1,830,173	$ 1.83
1990	1,830,173	—
1989	1,830,173	—
1988	1,826,721	—
1987**	1,822,733	—

(Loss)
* 10 months.
† Including extraordinary gain of $1,390,000 ($0.76 per share) in 1991.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Packaging systems	$ 25,973,751	$ 32,114,416
Communications & controls	9,171,258	9,485,804
Total	$ 35,145,009	$ 41,600,220

Common Stock Equity

	Total Equity	Equity Per Share †
1991	$ 13,150,707	$ 7.19
1990	9,659,735	5.28
1989	13,123,480	7.17
1988	15,557,074	8.52
1987	15,881,417	8.71

† Based on the weighted average number of shares outstanding

Income Account

Year ended Feb. 28	1991	1990
Net sales	$ 35,145,009	$ 41,600,220
Cost of sales	26,544,666	31,604,560
Expenses	12,933,810	11,829,466
Depreciation & amortization	874,183	845,615
For. curr. translation	(485,248)	798,647
Minority interest	44,772	126,723
Other income	(8,330,937)	(465,746)
Inc. (loss) bef. taxes	$ 3,563,763	$ (3,139,045)
Income taxes	1,602,202	208,000
Net Income (Loss)	$ 1,961,561	$ (3,347,045)
Extraord. gain	1,390,000	—
Net Income (Loss) & extraord. gain	$ 3,351,561	$ (3,347,045)

Assets

As of Feb. 28	1991	1990
Cash & cash equiv.	$ 673,946	$ 1,232,613
Accts. receiv., net	5,043,288	7,963,467
*Inventories	10,950,062	11,713,502
Prepaid expenses	433,796	346,247
Other curr. assets	612,984	1,135,533
Prepaid inc. taxes	—	72,628
Current Assets	$ 17,714,076	$ 22,463,990
#Fixed assets	4,598,735	4,300,519
Other assets	170,579	958,569
Total Assets	$ 22,483,390	$ 27,723,078

Liabilities

	1991	1990
Short-term borrowings	$ 1,453,713	$ 330,933
Long-term debt, curr.	95,917	1,729,974
Accts. payable	2,816,563	2,984,921
Accrued payroll	1,807,751	1,211,397
Cust. deposits	540,360	593,150
Other curr. liabilities	917,856	834,315
Income taxes payable	215,588	213,703
Curr. Liabilties	$ 7,847,748	$ 7,898,393
Long-term debt	225,453	8,987,189
Deferred compensation	476,824	426,992
Minority interest	782,658	750,769
+Common stock	94,136	94,136
Add. paid-in capital	8,714,912	8,714,912
Retained earnings	4,413,533	1,061,972
For. curr. trans. adjust.	51,483	(87,928)
Treasury stock	(123,357)	(123,357)
Total Liabilities & Shareholders' Equity	$ 22,483,390	$ 27,723,078

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

	1991	1990
% Income bef. Taxes to Sales	10.14	—
% Net Income to Sales	5.58	—
% Net Income to Equity	14.92	—
Sales to Inventories	3.21	3.55
Debt to Equity	0.13	1.14
Working Capital	$ 9,866,328	$ 14,565,597
Current Ratio	2.26	2.84
Shareholders' Equity	$ 13,150,707	$ 9,659,735

Wells-Gardner Electronics Corporation

2701 North Kildare Avenue
Chicago, Illinois 60639
(312) 252-8220
FAX: (312) 252-8072

Officers: Francis J. Myers, chairman & chief executive officer; Richard L. Conquest, chief financial officer, secretary & officer; Randall S. Wells, exec. v.p. & gen. mgr.; Lawrence J. Brady, v.p. & sales mgr.; Larry Mahl, director of materials; Robert Willing, director of quality control.

Directors: Theodore S. Corwin, Allan Gardner, Frank S. Righeimer, Jr., James J. Roberts, Jr., John R. Blouin, Richard L. Conquest, Francis J. Myers, Anthony Spier, Arthur S. Wells, Jr.

Areas of Work: Engaged in the manufacture and assembly of video monitors, data display monitors, switching power supplies and optical touch screens.

Divisions and Subsidiaries:

Data Display Division
Produces videomonitors.

Video Games Division
Supplies monochrome and color raster and vector monitors to the coin-operated video game industry.

Energetic Systems, Inc.
Designs, manufactures and markets 100kHz switching power supplies.

Transfer Agent(s):

Harris Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): American

Ticker Symbol: WGA

Number of Employees:

1990	290	1987	270
1989	278	1986	270
1988	285		

Plant Footage:

1990	270,000 sq. ft.	1987	270,000
1989	270,000	1986	270,000
1988	270,000		

Sales & Earnings

	Net Sales +	Net Income #
1990	$ 45,099,000	$ 1,160,000
1989	33,175,000	(2,106,000)
1988	34,816,000	878,000
1987	28,679,000	796,000
1986	20,219,000	(190,000)

	No. of Com. Shares ‡	Earn. per Share #‡
1990	3,767,078	$ 0.31
1989	3,757,673	—
1988	3,760,189	0.23
1987	3,705,748	0.21
1986	3,599,328	—

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $410,000 ($0.11 per share) in 1990.
‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	0.07	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 13,588,465	$ 3.61
1989	12,376,475	3.29
1988	14,407,504	3.84
1987	13,667,619	3.65
1986	12,373,657	3.45

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 45,098,619	$ 33,174,746
Cost of sales	39,725,811	30,003,398
Expenses	4,261,604	3,800,088
Other income	(73,447)	(157,146)
Inc. (loss) bef. taxes	$ 1,184,651	$ (471,594)
Income taxes (credit)	435,000	(85,025)
Inc. (loss)-cont. oper.	$ 749,651	$ (386,569)
Loss-discont. oper.	—	(1,719,674)
Net Income (Loss)	$ 749,651	$ (2,106,243)
Extraord. gain	410,000	—
Net Income (Loss) & extraord. gain	$ 1,159,651	$ (2,106,243)

* Included in Costs and Expenses, Depreciation and Amortization: $593,947 in 1990 and $418,133 in 1989.

Assets

As of Dec. 31	1990	1989
Cash	$ 316,598	$ 486,932
Short-term invest.	313,578	313,578
Accts. receiv., net	5,765,275	5,095,478
Refund inc. taxes	375,378	406,187
*Inventories	9,028,768	7,672,780
Deferred inc. taxes	301,164	—
Prepaid expenses	302,525	269,890
Current Assets	$ 16,403,286	$ 14,244,845
Long-term bond	25,000	25,000
#Fixed assets	1,957,256	1,898,743
Total Assets	$ 18,385,542	$ 16,168,588

Liabilities

	1990	1989
Note payable	$ 450,000	$ —
Accts. payable	2,869,250	2,279,268
Accruals	947,540	1,512,845
Income taxes payable	25,000	—
Curr. Liabilities	$ 4,291,790	$ 3,792,113
Deferred inc. taxes	505,287	—
+Common stock	3,766,195	3,764,945
Add. paid-in capital	596,832	594,488
Retained earnings	9,246,908	8,087,257
Unearned comp.	(21,470)	(70,215)
Total Liabilities & Shareholders' Equity	$ 18,385,542	$ 16,168,588

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales		2.63		—
%Net Income to Sales		1.66		—
%Net Income to Equity		5.52		—
Sales to Inventories		4.99		4.32
Debt to Equity		0.03		—
Working Capital	$	12,111,496	$	10,452,732
Current Ratio		3.82		3.76
Shareholders' Equity	$	13,588,465	$	12,376,475

Western Digital Corporation

8105 Irvine Center Drive
Irvine, California 92718
(714) 932-5000
FAX: (714) 932-7820

Officers: Roger W. Johnson, chairman of the board, president & chief executive officer; Robert L. Erickson, v.p.-law & administration & secretary; Kathryn A. Braun, exec. v.p.; C. William Frank, v.p. & senior systems architect; John R. MacKay, sr. v.p.-semiconductor operations & manufacturing technologies; John J. Petersen, v.p.-engineering; Robert N. Stephens, sr. v.p. & gen. mgr.-microcomputer products; Robert F. Elfant, v.p.-microcomputer operations; H. Richard Byrne, v.p. & corp. controller; John M. Markovich, v.p. & treasurer; David W. Schafer, v.p.-worldwide services; Joseph B. Smith, v.p.-mfg, storage products.

Directors: Roger W. Johnson, chairman of the board; Donn B. Tatum, William C. May, Ryal R. Poppa, I.M. Booth, Andre R. Horn, Irwin Federman, John S. Mayo, Anne O. Krueger.

Areas of Work: Designs and manufactures very-large-scale integrated circuits, board-level and subsystem products that are critical to the operation of microcomputers and other microprocessor-controlled systems. Principal products include Winchester disk drives, Winchester hard disk controllers, and video controllers for use in personal computers, storage management, video, integrated systems and communications.

Subsidiaries:

Western Digital (Malaysia) SDN BHD
Kuala Lumpur, Malaysia
Assembles semiconductor devices.

Western Digital Ireland Ltd.
Dublin Hill, Cork, Ireland
Manufactures board products.

Western Digital Caribe, Inc.
Ponce/Mercedit, Puerto Rico
Manufactures board products.

Adaptive Data Systems, Inc.
Irvine, California
Manufactures a series of products in the high-performance small computer interface market.

Paradise Systems, Incorporated
Mountain View, California
Designs and markets video controller boards and related integrated circuit devices.

Faraday Electronics, Inc.
Sunnyvale, California
Manufactures highly integrated chip sets that support the core logic functions of the microcomputer.

Verticom Inc.
Sunnyvale, California
Manufactures high-performance graphics display controllers and subsystems.

Transfer Agent(s):

First Interstate Bank of California
707 Wilshire Boulevard
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: WDC

Number of Employees:

1990	7,607	1987	3,338
1989	6,394	1986	2,468
1988	6,582		

Plant Footage:

1990	N.A.	1987	524,000
1989	1,510,000 sq. ft.	1986	621,000
1988	1,010,800		

N.A.-Not Available

Sales & Earnings

	Revenues +		Net Income †
1990	$ 1,070,511,000	$	24,165,000
1989	992,065,000		34,324,000
1988	768,320,000		43,429,000
1987	481,368,000		45,822,000
1986	300,300,000		23,157,000

	No. of Com. Shares		Earn. per Share † ‡
1990	29,206,818	$	0.82
1989	29,103,085		1.18
1988	27,531,629		1.53
1987	27,173,556		1.79
1986	23,310,129		1.03

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $460,000 ($0.02 per share) in 1988, $5,402,000 ($0.21 per share) in 1987 and $1,612,000 ($0.07 per share) in 1986.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

		Total Equity		Equity Per Share
1990	$	322,042,000	$	11.03
1989		302,068,000		10.38
1988		254,974,000		9.26
1987		206,764,000		7.61
1986		107,028,000		4.59

Income Account *

Year ended June 30		1990		1989
Revenues	$	1,070,511	$	992,065
Cost of revenues		808,351		711,727
Expenses		222,169		221,644
Interest expense *		9,067		13,243
Net gain from deben repurch.		(1,273)		—
Income before taxes	$	32,197	$	45,451
Income taxes		8,032		11,127
Net Income	$	24,165	$	34,324

* Included in Costs and Expenses, Depreciation and Amortization: $47,565,000 in 1990 and $45,159,000 in 1989.

Assets
(000's)

As of June 30		1990		1989
Cash & cash equiv.	$	39,288	$	40,474
Accts. receiv., net		155,020		137,095
*Inventories		172,182		197,050
Prepaid expenses		21,240		9,296
Current Assets	$	387,730	$	383,915
≠Fixed assets		206,050		155,577
Other assets		43,780		49,431
Total Assets	$	637,560	$	588,923

Liabilities
(000's)

Short-term borrowings & long-term debt, curr.	$	738	$	3,760
Cap. lease oblig., curr.		11,388		12,393
Accounts payable		98,962		70,723
Accruals		45,488		30,998
Income taxes		72		4,248
Current Liabilities	$	156,648	$	122,122
Convert. subord. deben. *		59,000		69,000
Long-term debt		65,259		56,466
Cap. lease oblig.		20,791		28,502
Deferred inc. taxes		13,820		10,765
+Common stock		2,921		2,910
Add. paid-in capital		164,839		164,046
Ret. earnings		159,277		135,112
SESOP loan guarantee		(4,995)		—
Total Liabilities & Shareholders' Equity	$	637,560	$	588,923

* At lower of cost (FIFO) or net realizable value.
≠ Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. taxes to Revenues		3.01		4.58
%Net Income to Revenues		2.26		3.46
%Net Income to Equity		7.50		11.36
Debt to Equity		0.49		0.56
Working Capital	$	231,082,000	$	261,793,000
Current Ratio		2.48		3.14
Shareholders' Equity	$	322,042,000	$	302,068,000

Western Microwave Laboratories, Inc.

1271 Reamwood Avenue
Sunnyvale, California 94089-9047
(408) 734-1631
FAX: (408) 734-4326

Officers: Fred R. Oliveri, president; Bernard J. Rosati, treasurer & controller; Ferenc A. Marki, exec. v.p. & chief operating officer; Robert A. Latta, secretary.

Directors: H. E. Rumsey, J. K. Leidecker, W. H. Kuntz, Ibrahim Hefni, Ronald O. Huch, Julian S. Lake.

Areas of Work: Develops and manufactures microwave ferrite components (isolators and circulators) and microwave integrated components (RF front end assemblies, mixers, isolator couplers and image reject mixers) for commercial and military applications.

Divisions:

Microwave Signal Processing Division
Passive Microwave Technology Division

Transfer Agent(s):

Bank of America
Corporate Agency Service Center
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WMIC (NASDAQ)

Sales & Earnings

		Net Sales ≠		Net Income ‡
1989	$	9,710,510	$	(884,386)
1988		11,039,249		(764,156)
1987		12,910,761		(214,893)
1986		14,393,057		338,215
1985		13,848,864		808,138

	No. of Com. Shares	Earn. per Share ‡
1989	1,405,233	$ —
1988	1,528,086	—
1987	1,530,947	—
1986	1,526,239	0.21
1985	1,477,145	0.53

(Loss)
Of continuing operations only
‡ Including extraordinary gains of $18,600 ($0.01 per share) in 1985

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 3,847,605	$ 2.74
1988	4,922,603	3.22
1987	5,710,688	3.73
1986	5,943,295	3.89
1985	5,478,070	3.71

Income Account *

Year ended Sept. 30	1989	1988
Net sales	$ 9,710,510	$ 11,039,249
Cost of sales	8,080,938	8,736,605
Sell., gen. & adm. exp.	2,387,319	2,716,456
Prod. develop. exp.	172,749	350,074
Interest expense	67,347	172,497
Interest income	(98,511)	(101,913)
Other income	(15,246)	(70,614)
Loss bef. taxes	$ (884,086)	$ (763,856)
Tax credit	(300)	(300)
Net Loss	$ (884,386)	$ (764,156)

* Included in Costs and Expenses, Depreciation and Amortization: $449,286 in 1989 and $594,161 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	$ 999,036	$ 1,219,984
Accts. receiv., net	1,688,126	2,423,029
Income tax receivable	—	207,000
*Inventories	1,843,554	2,425,427
Prepaid expenses	100,248	56,041
Current Assets	$ 4,630,964	$ 6,331,481
# Fixed assets	407,259	770,936
Other assets	7,443	23,994
Total Assets	$ 5,045,666	$ 7,126,411

Liabilities

	1989	1988
Notes payable	$ —	$ 1,058,960
Accts. payable	660,641	621,551
Accruals	537,420	523,297
Curr. Liabilities	$ 1,198,061	$ 2,203,808
+ Common stock	140,523	152,808
Add. paid-in capital	4,057,223	4,308,550
Ret. earnings (deficit)	(350,141)	534,245
Receiv. from stockholder	—	(73,000)
Total Liabilities & Shareholders' Equity	$ 5,045,666	$ 7,126,411

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.10 par value

Statistical Summary

	1989	1988
Sales to Inventories	5.27	4.55
Debt to Equity	—	0.22
Working Capital	$ 3,432,903	$ 4,127,673
Current Ratio	3.87	2.87
Shareholders' Equity	$ 3,847,605	$ 4,922,603

Westinghouse Electric Corporation

Westinghouse Building
Gateway Center
Pittsburgh, Pennsylvania 15222
(412) 244-2000
FAX: (412) 642-3404

Officers: John C. Marous, chairman & chief executive officer; Paul E. Lego, president & chief operating officer; Gary M. Clark, executive v.p.-industries; George C. Dorman, executive v.p.-human resources & total quality; Richard A. Linder, executive v.p.-electronic systems; William A. Powe, executive v.p.-chairman-Westinghouse Financial Services; Harry F. Murray, executive v.p.-finance; Robert F. Pugliese, executive v.p.-legal & corporate affairs; Maurice C. Sardi, executive v.p.-commercial; Burton B. Staniar, executive v.p.-chairman-Westinghouse Broadcasting; Theodore Stern, executive v.p.-energy & utility systems; John B. Yasinsky, executive v.p.-world resources & technology; Frank R. Bakos, v.p.-power generation; Isaac R. Barpal, v.p.-science & technology; Joseph I. Becherer, v.p.-distribution & control; Charles E. Bell, Jr., v.p.-central region; Edward G. Bittner, v.p.-materials divisions; Barton S. Brodkin, president-Westinghouse Beverage Group; Thomas P. Costello, president-Thermo King Corporation; John H. Courcoulas, v.p. Europe, Africa & Middle East; Robert E. Faust, v.p.-controller; John H. Fooks, v.p.-corporate productivity & quality; H. Joe Frazier, president-Westinghouse Communities, Inc.; August W. Frisch, v.p.-general tax counsel; Warren H. Hollinshead, treasurer; William M. Jacobi, v.p.-government operations; Carl R. Johnson, v.p.-Southeastern region; Margaret M. Kennedy, administrative asst. to the chairman; David L. Litten, v.p.-Midwestern region; R. Noel Longuemare, v.p.-systems develpment & technology; Anthony A. Massaro, Jr., v.p.-industries & environmental services; Eileen P. Massaro, v.p.-corporate relations; Alan J. Meilinger, v.p.-purchases, traffic & real estate; James S. Moore, president-Westinghouse Savannah River Company; Bruce W. Morrison, v.p.-Atlantic region; Hercules Paximos, v.p.-New York Metropolitan region; John A. Petraca, v.p.-asst. controller; Samuel R. Pitts, v.p.-environmental affairs; Edward B. Priestner, president-Westinghouse Canada, Inc.; Edward N. Silcott, v.p.-commercial systems; Richard J. Slember, v.p.-energy systems; William I. Taylor, president-Westinghouse Electric Supply Company; Nathaniel D. Woodson, president -international; A. Richard Whittemore, v.p.-Western region; F. Leo Wright, v.p.-governmental affairs; J. Stanley Wyble, v.p.-Southwestern region.

Directors: John C. Marous, chairman; Donald F. Hornig, Richard R. Pivirotto, David T. McLaughlin, Hays T. Watkins, Barbara H. Franklin, Robert W. Campbell, Rene C. McPherson, John B. Carter, Richard M. Morrow, Frank C. Carlucci, Paul E. Lego.

Areas of Work: A diversified, global, technology based corporation operating in the business areas of television and radio broadcasting, defense electronics, financial services, and the industrial, construction and electric utility markets.

Westinghouse develops, designs and furnishes nuclear power plants, equipment and fuel for the generation of electricity.

Some Westinghouse products, such as motors and control devices, are used by other manufacturers as components for their products. The Corporation manufactures electronic products for the United States Government and its allies. These products include surveillance and fire control radars, command and control systems, electronic countermeasures equipment, electro-optical and spaceborne sensors, missile launching and handling equipment, torpedoes, sonar and communications equipment.

Westinghouse supplies products to the construction industry and engages in conventional construction activities. It also is engaged in land development and sales.

Westinghouse Broadcasting Company owns and operates 14 radio stations, five television stations and a production company that produces syndicated television programs.

Westinghouse Learning Corporation offers various educational services and materials to schools; sells language instruction courses.

In commercial activities, Westinghouse subsidiaries bottle and distribute various soft drink brands; manufacture, assemble and sell wrist watches and other timepieces under the Longines-Wittnauer, LeCoultre and Jubilee trade names.

Westinghouse Credit Corporation engages in the extension of credit in transactions secured by real or personal property and in leasing transactions including leverage leasing.

Westinghouse is engaged in the distribution outside the United States of electrical and other products, primarily those manufactured by Westinghouse. Such distribution is accomplished through a wholly owned subsidiary and through company representatives and independent distributors. The corporation also has a number of subsidiaries outside the United States, the majority of which are engaged in the manufacture and sale of electrical generation, transmission, utilization and control equipment, and consumer products.

Electronics & Related Divisions & Subsidiaries:

Advanced Reactors Division
Waltz Mill, Pennsylvania

Development of advanced designs and concepts of commercial atomic power, including breeder reactors. Comprehensive services in chemical analyses and postirradiation analyses and examination of nuclear fuel and reactor components.

Aerospace and Electronic Systems/Systems Development Division
Baltimore, Maryland

Producer of airborne and surface-based radars, communications, command and control, and related electronic systems. Aerospace activities include development and production of sophisticated avionics systems. These include advanced airborne ECM systems, weapon delivery systems, electro-optical systems for reconnaissance and remote sensing, and airborne surveillance radar for airborne early warning and control. Surface-based activities include tactical and shipboard radars, range instrumentation systems, strategic defense systems, and air traffic control systems. Military command and control systems, tactical and strategic communications, displays and computer systems.

Aerospace Electrical Division
Lima, Ohio

Electric power systems, generators, motors, control apparatus, power conditioning and conversion equipment, and support equipment for military and commercial aircraft, missiles, spacecraft, undersea and ground vehicles.

Astronuclear Laboratory
Large, Pennsylvania

Nuclear, power-reactor and isotope for space, terrestrial, underseas, and other advanced applications; high temperature materials development, and testing and application, thermo-electric environmental control systems, Silicon Carbide devices, non-destructive test equipment, high temperature thermocouples.

Bryant Division
Bridgeport, Connecticut

Wiring devices: switches, receptables, wall plates, plugs, connectors, lampholders and starters; outdoor fixtures for reflector backed lamps and photo electric controls; circuit breakers and load centers; ground fault protectors and multimetering; electric heating: baseboard, ceiling cable, unit heaters, duct heaters, strip heaters, wall heaters.

Computer and Instrumentation and Industry Systems Divisions
Pittsburgh, Pennsylvania

Complete digital, analog and combined process control systems and related services for application in the following areas: Automotive; Adaptive Control; Batch Blending; By-Products; Chemical; Cement; Communications; Data Acquisition, Collection and Processing; Dispatching and Distribution; Display; Electronic Component Testing; Environmental Measurements; Fluid Flow, Pressure, Temperature and Level; Gas Distribution; Glass; Heating and Air Conditioning; Machine Tool-Direct Numerical; Marine; Metallurgical; Mining and Ore Processing; Oxygen Monitoring and Control; Petro-Chemical; pH and Conductivity; Plastics; Pollution; Power Generation, Transmission and Distribution; Process Industries; Pulp and Paper; Refineries; Rubber; Security; Scientific; Security and Environmental; Steel; Supervisory; Systems Field Engineering; Customer Training; Traffic; Warehousing and Inventory; Water and Waste Treastment.

Control Products Division
Beaver, Pennsylvania

Control for motors, starters, contactors, relays, pushbuttons, safety switches and enclosed breakers. Numalogic Solid State Control.

Distribution Apparatus Division
Bloomington, Indiana
Capacitors; lighting arresters; fuse cutouts; surge protec~~tion devices~~; reclosers; vacuum circuit breakers; air load-break switches; oil switches; T-Tap switches; linetraps; potential devices.

Electric Distribution Laboratory
Coral Springs, Florida
Constant testing and evaluation conducted under actual living environmental conditions with variables introduced by the resident population, weather, etc., encompasses 70 homes and apartments in a new city subdivision permitting use of the latest technology in electric power distribution without traditional hindrance from normal constraints such as codes and legal requirements.

Electromechanical Division
Cheswick, Pennsylvania
Main coolant pumps, valves, control rod drive mechanisms, and other specialized apparatus for nuclear reactors; pumps for controlled circulation boilers.

Electronic Systems Support Division
Cockeysville, Maryland
Nuclear Instrumentation and Control Systems-military and commercial. Integrated Logistics Support Systems-technical training operations, supply support, maintenance planning, field integration and services, support equipment, technical data, facility planning. Electronic Protection Systems-for government and industry.

Westinghouse Elevator Company
Millburn, New Jersey
Manufacturing, sales, service, modernization and maintenace of elevators, escalators and walkways.

General Control Division
Buffalo, New York
Motor starters and controllers; special purpose control; control components; pilot devices; transfer switches.

Chicago, Illinois
Control centers and Type W Jr. group control.

Industry Equipment Division
Sykesville, Maryland
Electric arc welders; electronic beam welders; electrodes, accessories; brazing alloys; laser systems; power sources; induction heating equipment; ultrasonic devices for cleaning and processing equipment.

Industrial Systems Division
Buffalo, New York
Design and project management of large electrical drive systems and products for the industrial process and manufacturing systems and all the general industries. Component groupings include adjustable speed drives, crane drives, inverters, rectifiers, programmable controllers, numerical control and automatic material handling systems.

Industry Services Division
Pittsburgh, Pennsylvania

Apparatus Service Divisions
Pittsburgh, Pennsylvania
Sixty apparatus service plants and 75 engineering services locations strategically located domestically to service all industries around the clock. Modern facilities and engineering skills are available to maintain, repair and modernize mechanical and electrical equipment regardless of original manufacture. Also manufacturing and repair and engineering services are available at various locations throughout the world.

Westinghouse Instrument Service Co.
Atlanta, Georgia
Instrumentation and control capabilities include installation, calibration, commissioning, start-up, maintenance, instrumentation repair facilities.

Westinghouse Non-Current Renewal Parts & Special Products Plant
Pittsburgh, Pennsylvania
Manufacturer of specialty products including non-current apparatus and parts. Product lines include: A.C. and D.C. motors and gearmotors, transportation motors, industrial control, pushbuttons, knife switches, circuit breakers, pantagraphs, bolt heaters and carbon brushes.

Marine Division
Sunnyvale, California
Marine propulsion steam turbines and reduction gears, ship's service turbine generator sets. Nuclear components manufacture, electrical, mechanical and shock mitigation components for missile and rocket programs, missile launching and handling equipment, sub-sea oilwell equipment.

Meter Division
Raleigh, North Carolina
Watthour, demand, recording meters, sockets and accessories. Pulse equipment for electric utility automated system analysis, planning, billing and environmental monitoring, and range timers.

Power Systems Planning
Advanced Systems Technology
Pittsburgh, Pennsylvania
Provides a large library of digital power system planning and analysis programs available through mail order consulting or via remote terminals. Operates Anacom analogue computer for transient analysis, mobile laboratories for field transient measurements, oscillography lab for field use, electromagnetic compatibility measurements. Contracts research and development services, from feasibility studies to project management and construction, for prototype systems in generation, transmission and distribution.

Relay-Instrument Division
Newark, New Jersey
Electrical measuring instruments of all types; protective relays and relaying systems; relay instrument switchboards; control and data systems.

Research Laboratories
Pittsburgh, Pennsylvania
Basic and applied research in chemistry, physics, mathematics, energy systems, solid state sciences, solid state devices, materials, materials processing, instrumentation, systems, communication, control electronics, power electronics, oceanography, and georesearch. Work done primarily in support of Westinghouse operating divisions, but also conducts contract research for the U.S. Government.

Semiconductor Division
Youngwood, Pennsylvania
Silicon rectifier diodes, silicon controlled rectifiers, silicon power transistors, silicon rectifier and controlled rectifier assemblies.

Specialty Transformer Division
Greenville, Pennsylvania
Specialty transformers, saturable core inductors, Navy dry type transformers; constant voltage and filtering transformers, load centers 30 kva and below.

Switchgear Division
East Pittsburgh, Pennsylvania
Assembled switchgear; high voltage fuses, network protectors; generator voltage regulators and automatic synchronizers; disconnect switches, substation structures, switchgear components, medium and low voltage air circuit breakers; control switches (type W); switchgear accessories; draw-out load interrupter switchgear.

Transformer Divisions:

Large Power Transformer Division
Muncie, Indiana
Power transformers above 30,000 kva; liquid immersed shunt reactors above 10,000 kva, regulating and furnace transformers above 30,000 kva.

Medium Power Transformer Division
Sharon, Pennsylvania
Power transformers 10,001 to 60,000 kva; substation transformers 5,001 to 10,000 kva; grounding and rectifier transformers; dry type distribution transformers; dry type power center transformers 112-1/2 to 2500 kva, regulating and furnace transformers 30,000 kva and below; current and potential transformers; metering units.

Small Power Transformer Division
South Boston, Virginia
Liquid immersed (oil or Inerteen) auto transformers, network transformers, pad-mounted transformers, substation transformers and underground transformers 501 to 5,000 kva, and power center (secondary unit substations) 112-1/2 to 2500 kva.

Overhead Distribution Transformer Division
Athens, Georgia
Overhead liquid immersed distribution transformers.

Underground Distribution Transformer Division
Jefferson City, Missouri
Underground distribution transformers and equipment.

Oceanic Division
Annapolis, Maryland
Surveillance; sonar detection; data handling and display; instrumentation; oceanographic systems and equipment; flow meters; life support equipment; underwater systems, equipment and associated support items; torpedoes; advanced weapons; mine, weapon and CW countermeasures.

Westinghouse Tele-Computer Systems Corporation
Pittsburgh, Pennsylvania
A wide range of user-oriented problem-solving services involving both manual and computer-based information sytems. Computing services, consulting services, data processing services, software services, tele-communications services, warehouse information systems.

Compagnie des Dispositifs Semiconducteurs
Westinghouse S.A.
B.P. 107
Avenue George-Durand
72 Le Mans, France
Assemblies, silicon rectifier and controlled rectifier; battery chargers, battery charging control; bridges, silicon rectifier and controlled rectifier, power supplies, and battery chargers, rectifier assemblies; rectifier diodes, silicon; semiconductors; silicon controlled rectifiers; silicon rectifiers.

Fusibles Westinghouse de Puerto Rico, Inc.
Luquillo, Puerto Rico
Power fuses.

Induselet, S.A.
Osasco, S.P., Brazil
Circuit breakers, enclosed circuit breakers, power centers; reactors; substations, CSP, transformers, distribution; transformers, power.

Marimi and Aminelli S.A.
Sao Paulo, Brazil
Disconnect switches; automated circuit breakers; push buttons; minimum oil circuit breakers; power fuses; bus duct; outdoor disconnect switches; switchboard and cubicles.

Semiconductors Westinghouse, Inc.
Gurabo, Puerto Rico
Medium and high power thyristors, rectifiers and bridge assemblies.

Servicios Industriales Westinghouse
Una Division de Venwesa
Apartado 542
Zona Industrial
Maracaibo, Venezuela
Room air conditioners; circuit breakers; control centers; group control; motor controls; power, regulating, synchronizing systems; freezers; fuses, power; motors; network protectors; network protector relays; panelboards; power centers; power centers for construction applications; refrigerators, domestic; regulators; relators, feeder voltage; repair service; static exciters; substation structures; substations; switchboards; switches, switchgear, accessories switchgear, assembled; synchronizers, generator; transformers, distribution; power transformers; turbine supervisory instrumentation.

Standard-Waygood, Ltd.
P.O. Box 13 Miowera Road
Willawood, N.S.W., 2163, Australia
Electrical adjustable speed drives, hi-torque assemblies, silicon rectifier and controlled rectifier, bus duct; circuit breakers; control centers, control, crane and defense; control, general mill; control, group; control, machine tool; control, materials handling; control, metal mill; control, numerical; control systems, electrical; drives, adjustable speed, electrical; induction heating equipment; installation supervision, electrical apparatus; instructional services; inverters, staticlarge dc motors, network protectors, network protector relays, numerical control; panelboards; power centers; power supplies, dc and battery chargers; reactors; rectifier assemblies; rectifier equipment, power, regulated systems, regulators, feeder voltage; service, electric (field engineering); substation, CSP; switchboards; switchgear; systems, industrial; transformers; self-contained power, unit substations.

Transformadores Westinghouse, Inc.
P.O. Box 127
Road 30, K.M. 6.0 Barrio Rincon
Gurabo 00658, Puerto Rico
Transformers for general purpose applications.

Tubos Electronicos Westinghouse, Inc
P.O. Box 127
Road 30, M 6 0 Barrio Rincon
Gurabo 00658, Puerto Rico
Electronic tubes

Tyree Industries, Ltd
P.O. Box 315
Liverpool, N.S.W. 2170, Australia
Capacitors, line traps, carrier; potential devicers, capacitors, reactors, power transformers, distribution transformers, instrument transformers

Westinghouse Breakers, Inc
Puerto Rico
Manufacture and assembly of circuit breakers

Westinghouse Canada Limited
286 Sanford Avenue North
P.O. Box 510
Hamilton, Ontario, Canada
Adjustable speed drives-electrical; adjustable speed drives-mechanical, air cleaning units; air conditioners, central air conditioning, air handling lighting fixtures; air handling units; airport lighting regulators (solid state); lighting arresters; audio tone relaying systems, automatic dispatching control; automatic transfer switches; ballasts, lighting, bases, lightbulb and electron tube; battery charging control; blowers, bus duct; bus, high voltage; capacitors, carrier relaying systems; circuit breakers; circuit breakers, molded case, loadcenter, circuit breakers, vacuum; commercial lighting; computerized metering systems; computer, digital, conductors, cooper and aluminum; contactors, ac and dc; control centers; control components; control components, ac; control components, ac and dc; control, crane and defense; control devices; control, general mill, control, group; control, machine tool; control, materials handling; control, metal mill; control numerical; control, special purpose; control, standard; control systems, electrical; control systems, chemical properties; control systems, electrical; control systems, chemical properties, control systems, combustion, flow and level, pressure and differential pressure, temperature-temperature difference; controls for motors, controls, supervisory and telemetering; cores for transformers; cutouts, fuse; dehumidifiers, residential; direct current HV transmission equipment systems; dishwashers; displays, CRT alphanumeric and graphical (WAND) drives; drum controllers; dry cleaners, commercial dryers electric and gas; duct heaters, gas and electric; Dumet (copperclad); electric stairways; electric space heaters, baseboard heaters, electric walks; electric tubes; electrostatic air filters; Precipitron, elevators, electric geared and gearless, hydraulic; enclosed circuit breakers; energy storage equipment, environmental data systems; fans; filaments, tungsten, fluorescent lamps; food waste disposers; freezers, fuses and fuse links; fuses power; gas turbines, land; gear units; gearmotors; gears, railway; ground fault protectors; heaters, electric; heaters, portable; housewares, electric; blankets, blenders, can openers, coffee makers, knives, food mixers, fry pans, hair stylers, irons, kettles, toasters, automatic; hydraulic products; industrial lighting; infra-red heaters, electric; installatión supervision, electrical apparatus; instructional services; instrument auxiliary equipment; instruments, analog; integrated circuits; interlocks; inverters, static; lamps; Láundromat automatic washers; lead in wires, lamp and electronic tube; lighting, outdoor fluorescent, incandescent, mercury vapor, quartz, sodium; lighting fixtures; lighting, interior lighting, specialty interior; lights, indicating control; line tracing electronic systems (Linatrol); line traps, carrier, liquid dielectrics, oil and Interteen; load centers, circuit breaker; mercury lighting; metals, Hi purity single crystal; meter accessories; watthour, meters, demand; meters, mine-hoists friction treads; Westoflex; mine-hoists (Select-A-Level); molybdenum-wire, rod, powder; motor starters and controllers; motors, ac integral hp, thru frame 449T; multimetering; network protectors; network protector relays; numerical control; panel instruments; panelboards; phonographs; photo-electric controls, pilot devices; pilot wire relaying systems; portable instruments; potential devices.

Westinghouse de Venezuela, S.A.
Div. Pantallas de Television
Apartado 1889
Caracas, Venezuela

H. Maihak AG
West Germany

Acquisitions:

Shaw-Walker Company
An office furniture company

Reff, Inc
Toronto, Ontario, Canada
An office furniture company

Transfer Agent(s):

Mellon Bank, N.A.
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Harris Trust Company of New York
77 Water Street
New York, New York 10005

Stock Exchange(s): New York, Boston, Philadelphia, Midwest, Pacific

Ticker Symbol: WX

Number of Employees:

1989	121,963	1986	117,267
1988	119,640	1985	124,935
1987	112,478		

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 12,915,000	$ 268,000
1989	12,844,000	922,000
1988	12,500,000	823,000
1987	11,332,000	901,000
1986	11,370,000	173,000

	No. of Com. Share ‡	Earn. per Share ‡
1990	293,591,984	$ 0.91
1989	292,465,132	3.15
1988	291,088,150	2.83
1987	290,360,540	3.12
1986	304,662,374	0.58

+ Of continuing operations only; includes operating revenues.
‡ Based on the average number of shares outstanding adjusted to reflect stock split

Revenues by Line of Business
(000's)

	1990	1989
Broadcasting	$ 858,000	$ 755,000
Electronic systems	3,196,000	2,948,000
Environmental systems	1,347,000	1,221,000
Financial services	1,209,000	1,065,000
Industries	3,301,000	3,472,000
WCI*	141,000	127,000
The Knoll Group	422,000	177,000
Power systems	2,442,000	2,000,000
Divested & other	310,000	1,488,000
Intersegment	(311,000)	(409,000)
Total	$ 12,915,000	$ 12,844,000

* WCI, a part of the legal entity Financial Services, is included in the Industries segment for segment reporting.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.35	—	2-for-1
1989	1.15	—	—
1988	0.96	—	—
1987	0.82	—	—
1986	0.67	—	—

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1990	$ 3,897,000	$ 13.27
1989	4,384,000	14.99
1988	3,795,000	13.04
1987	3,222,000	11.10
1986	2,498,000	8.20

Based on the average number of shares outstanding adjusted to reflect stock split

Income Account
(000's)

Year ended Dec. 31	1990	1989
Product sales	$ 8,583,000	$ 8,691,000
Service sales	2,982,000	2,961,000
WFSI (fin. serv.) revenue	1,350,000	1,192,000
Total sales & revenues	$ 12,915,000	$ 12,844,000
Cost of sales & rev	10,215,000	9,289,000
Expenses	1,835,000	1,810,000
Depreciation & amortization	363,000	367,000
Gains from divestitures	—	(399,000)
Provision for bus. restructuring	—	384,000
Interest expense	247,000	295,000
Other income	(173,000)	(117,000)
Income before taxes	$ 428,000	$ 1,275,000
Income taxes	144,000	340,000
Minority interest	16,000	13,000
Net Income	$ 268,000	$ 922,000

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 286,000	$ 174,000
Marketable securities	790,000	1,050,000
Accts. receiv., net	1,847,000	2,064,000
*Inventories	1,249,000	1,354,000
Uncompleted contract costs	473,000	302,000
Prepaid & other current assets	863,000	778,000
Current Assets	$ 5,508,000	$ 5,722,000
#Fixed assets	2,506,000	2,381,000
Intangibles & other assets	2,528,000	2,358,000
WFSI (fin. serv.) assets	11,491,000	9,853,000
Total Assets	$ 22,033,000	$ 20,314,000

Liabilities
(000's)

	1990	1989
Short term debt	$ 1,983,000	$ 1,862,000
Accts. payable	805,000	804,000
Uncompleted contract billings	703,000	1,111,000
Other current liabilities	1,625,000	1,808,000
Curr. Liabilities	$ 5,116,000	$ 5,585,000
Long-term debt	931,000	744,000
Other liabilities	1,587,000	1,018,000
WFSI (fin. serv.) liab.	10,331,000	8,412,000
Minority interest	171,000	171,000
+Common stock	370,000	368,000
Add. paid-in capital	659,000	611,000
Retained earnings	5,101,000	5,225,000
Treasury stock	(1,887,000)	(1,798,000)
Other	(346,000)	(22,000)
Total Liabilities & Shareholders' Equity	$ 22,033,000	$ 20,314,000

* At LIFO or current standard cost, which approximates actual or average cost.
# Less accumulated depreciation
+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	3.31	9.93
% Net Income to Sales	2.08	7.18
% Net Income to Equity	6.88	21.03
Debt to Equity	0.75	0.59
Working Capital	$ 392,000,000	$ 137,000,000
Current Ratio	1.08	1.02
Shareholders' Equity	$3,897,000,000	$4,384,000,000

Whirlpool Corporation

Benton Harbor, Michigan 49022-2692
(616) 926-5000
FAX (616) 926-3568

Officers: David R. Whitwam, chairman of the board, president & chief executive officer; James R. Samartini, exec. v.p. & chief financial officer; Jan Prising, exec. v.p. & pres.-Whirlpool International B.V.; Ronald L. Kerber, exec. v.p. & chief technology officer; William D. Marohn, exec. v.p.-North American Appliance Group; Lawrence J. Kremer, sr. v.p.-Global Technology & Operations; E.R. Dunn, v.p.-human resources & assistant secretary; Robert I. Frey, exec. v.p. & president-Whirlpool Overseas Corp.; Stephen F. Holmes, v.p. & pres.-Whirlpool Appliance Group; Kenneth W. Kaminski, v.p. & pres.-KitchenAid Appliance Group; Ralph F. Hake, v.p. & controller; H. W. (Hank) Bowman, v.p. & president-Kenmore Appliance Group; James E. LeBlanc, pres. & chief exec. officer-Whirlpool Financial Corporation; Bradley J. Bell, v.p. & treasurer; Daniel F. Hopp, v.p., general counsel & secretary; Allan D. Vingelen, asst. controller; Russell B. Collingwood, asst. controller.

Directors: David R. Whitwam, chairman; Victor A. Bonomo; Douglas D. Danforth; Allan D. Gilmour; Miles L. Marsh; Robert A. Burnett; Philip L. Smith; Jack D. Sparks; Kenneth J. Whalen; Paul G. Stern; James R. Samartini; Janice D. Stoney

Areas of Work: Manufactures home and commercial appliances, including microwave ovens, washers, dryers, refrigerators, ice makers, ranges, ovens, dishwashers, dehumidifiers, freezers, air conditioners and trash compactors. The company markets products in more than 45 countries under such brand names as Whirlpool, KitchenAid, Roper, Philips, Bauknecht, Ignis, Laden & Inglis.

Subsidiaries:

Whirlpool Financial Corporation
Benton Harbor, Michigan
A wholly owned finance subsidiary

Whirlpool Trading Company, Incorporated
Benton Harbor, Michigan

Inglis Limited
Toronto, Canada
Manufactures major home appliances

Whirlpool International B.V. (53%-owned)
Comerio, Italy
Manufactures major appliances

KitchenAid, Inc.
St. Joseph, Michigan
Manufactures major and portable appliances for the high-end user

Aspera S.r.l. (65%-owned)
Torino, Italy
Manufactures compressors for refrigeration products

Foreign Affiliates:

Brasmotor, S.A. (20% interest)
Sao Paulo, Brazil

Brastemp, S.A.
Sao Paulo, Brazil

Consul S.A.
Joinville, Brazil

Embraco, S.A.
Joinville, Brazil

Vitromatic, S.A. de C.V. (49% interest)
Monterrey, Mexico

TVS Whirlpool Ltd. (33% interest)
Madras, India

Transfer Agent(s):

Harris Trust and Savings Bank
Stock Transfer Division
111 West Monroe Street
Chicago, Illinois 60690

Harris Trust and Savings Bank
c/o Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): New York, Midwest, London

Ticker Symbol: WHR

Number of Employees:

1990	36,157	1987	30,412
1989	39,411	1986	30,956
1988	29,110		

Plant Footage:

1990	18,888,540 sq. ft.	1987	11,321,500
1989	18,589,600	1986	11,893,400
1988	N.A.		

N.A. - Not Available

Sales & Earnings

	Net Sales +	Net Income
1990	$6,434,000,000	$ 72,000,000
1989	6,153,000,000	187,000,000
1988	4,314,000,000	94,000,000
1987	4,115,000,000	192,000,000
1986	3,938,000,000	200,000,000

	No. of Com. Shares †	Earn. per Share ≠
1990	69,465,000	$ 1.04
1989	69,382,000	2.70
1988	69,289,000	1.36
1987	69,232,000	2.68
1986	74,128,000	2.70

+ Of continuing operations only
† Adjusted to reflect stock split
≠ Based on the weighted average number of common shares outstanding adjusted to reflect stock split

Revenues by Line of Business

	1990	1989
Home laundry appliances	$2,223,000,000	$2,113,000,000
Home refrigeration & room air conditioning	2,212,000,000	2,071,000,000
Other household appliances	1,999,000,000	1,969,000,000
Total	$6,623,000,000	$6,153,000,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.10	—	—
1989	1.10	—	—
1988	1.10	—	—
1987	1.10	—	—
1986	1.03	—	2-for-1

+ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$1,424,000,000	$ 20.51
1989	1,421,000,000	20.49
1988	1,321,000,000	19.06
1987	1,304,000,000	18.83
1986	1,350,000,000	18.21

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 6,434,000	$ 6,153,000
Financial serv.	189,000	136,000
Total income	$ 6,623,000	$ 6,289,000
Cost of sales	5,009,000	4,820,000
Int. exp.-fin. services	85,000	65,000
Expenses	1,165,000	995,000
Restruc. costs	22,000	9,000
Other income	(24,000)	(30,000)
Interest expense	146,000	122,000
Income before taxes	$ 220,000	$ 308,000
Income taxes	110,000	132,000
Eq. in losses (earn.) of affil. cos.	33,000	(38,000)
Minority interests	5,000	27,000
Net Income	$ 72,000	$ 187,000

* Included in Costs and Expenses, Depreciation: $247,000,000 in 1990 and $222,000,000 in 1989

Assets
(000's)

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 78,000	$ 78,000
Short-term invest.	2,000	63,000
Receiv., net	943,000	930,000
Financing receiv., net	943,000	828,000
*Inventories	801,000	884,000
Prepaid expenses	108,000	71,000
Def. inc. taxes	25,000	35,000
Current Assets	$ 2,900,000	$ 2,889,000
Investments & other assets	1,365,000	1,177,000
≠Fixed assets	1,349,000	1,288,000
Total Assets	$ 5,614,000	$ 5,354,000

Liabilities

(000's)

Notes payable	$ 1,268,000	$ 1,105,000
Long-term debt, curr.	122,000	36,000
Accts. payable	580,000	564,000
Accrued payroll & other compen.	133,000	120,000
Other accruals	506,000	399,000
Income taxes	42,000	27,000
Curr. Liabilities	$ 2,651,000	$ 2,251,000
Long-term debt	874,000	982,000
Deferred inc. taxes	167,000	184,000
Accrued pensions	322,000	296,000
+ Common stock	74,000	74,000
Add. paid-in capital	12,000	10,000
Retained earnings	1,499,000	1,503,000
For. curr. trans. adjust.	16,000	11,000
Treasury stock	(177,000)	(177,000)
Total Liabilities & Shareholders' Equity	$ 5,614,000	$ 5,354,000

* At LIFO cost, which does not exceed realizable values. Nonproduction and foreign inventories at FIFO.
≠ Less accumulated depreciation and amortization.
+ $1 par value

Statistical Summary

%Income bef. Taxes to Sales	3.42	5.01
%Net Income to Sales	1.12	3.04
%Net Income to Equity	5.06	13.17
Sales to Inventories	8.03	6.96
Debt to Equity	1.59	1.49
Working Capital	$ 249,000,000	$ 638,000,000
Current Ratio	1.09	1.28
Shareholders' Equity	$ 1,424,000,000	$ 1,421,000,000

Whitehall Corporation

2659 Nova Drive
Dallas, Texas 75229
(214) 247-8747
FAX (214) 247-2024

Mailing address
P.O. Box 29709
Dallas, Texas 75229

Officers: George F. Baker, chairman of the board & chief executive officer; John H. Wilson, III, interim president; E. Forrest Campbell, III, v.p. & treasurer; Daniel R. Donham, v.p. & controller; Bruce C. Conway, secretary.

Directors: George F. Baker, chairman; Lee D. Webster, Bruce C. Conway, John J. McAtee, Jr., John H. Wilson, III

Areas of Work: Divided into three groups: Earth Sciences, Aerospace, and Electronic Components. The Earth Sciences Group manufactures and sells underwater sensing systems used for offshore geophysical surveys and naval surveillances. The Aerospace Group rebuilds and modifies aircraft airframes and electronic systems. The Electronic Components Group manufactures and markets frequency-controlling quartz crystals.

Divisions and Subsidiaries:

Crystek Crystals Corporation
2371 Crystal Drive
Fort Myers, Florida 33901
(813) 936-2100
Manufacture and distribution of frequency-controlling quartz crystals.

Seismic Engineering Company
2659 Nova Drive
Dallas, Texas 75229
(214) 241-7581
Design and manufacture of marine acoustic sensor systems for commercial geophysical applications.

Rogers Explorations, Inc.
2659 Nova Drive
Dallas, Texas 75229
(214) 247-[illegible]072
Land geophysical exploration services.

Hydroscience, Inc.
2659 Nova Drive
Dallas, Texas 75229
(214) 247-9052
Adaptation of commercial system technology to the specific underwater threat detection requirements of the U.S. Navy.

Seismic Explorations International, S.A.
2659 Nova Drive
Dallas, Texas 75229
(214) 241-7581
Marine geophysical exploration services.

Whitehall Export, Inc.
P.O. Box 29709
Dallas, Texas 75229
(214) 247-8747

Aero Corporation
Lake City, Florida 32055
(904) 752-7911
Aircraft maintenance, structural modification, avionics design and installation.

Transfer Agent(s):

Hibernia National Bank in Texas
Dallas, Texas

Stock Exchange(s): New York

Ticker Symbol: WHT

Number of Employees:

1990	390	1987	588
1989	485	1986	1,001
1988	467		

Plant Footage:

1990	846,000 sq. ft.	1987	846,000
1989	846,000	1986	846,000
1988	846,000		

Sales & Earnings

	Net Sales	Net Income
1990	$ 15,437,065	$ 3,050,200
1989	24,183,171	831,635
1988	26,558,300	(2,358,827)
1987	33,660,786	(3,825,957)
1986	36,930,831	2,197,666

	No. of Com. Shares ‡	Earn. per Share ‡
1990	3,289,141	$ 0.90
1989	3,453,482	0.24
1988	3,469,946	—
1987	3,635,513	—
1986	3,670,008	0.60

( ) Loss

‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Earth sciences	$ 6,079,000	$ 13,442,000
Aerospace	6,651,000	8,052,000
Electronic components	2,707,000	2,689,000
Total	$ 15,437,000	$ 24,183,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 50,669,561	$ 15.25
1989	48,905,316	14.24
1988	48,398,364	14.00
1987	51,172,911	14.64
1986	57,342,598	15.67

Income Account *

Year ended Dec. 31	1990	1989
Net sales	$ 15,437,065	$ 24,183,171
Cost of sales	18,542,089	23,002,315
Expenses	4,064,743	4,320,344
Other income	(3,114,967)	(3,876,123)
Income (loss) bef. taxes	$ (4,054,800)	$ 736,635
Tax credit	(7,105,000)	(95,000)
Net Income	$ 3,050,200	$ 831,635

* Included in Costs and Expenses, Depreciation and Amortization: $4,219,966 in 1990 and $6,204,181 in 1989.

Assets

As of Dec. 31	1990	1989
Cash & cash equiv.	$ 24,214,265	$ 34,790,639
Accts. receiv., net	9,670,800	12,793,254
Recov. inc. taxes	3,289,689	—
*Inventories	7,413,266	8,046,286
Prepaid expenses	3,555,945	2,208,104
Current Assets	$ 48,143,965	$ 57,838,283
≠Fixed assets	7,830,795	11,837,287
Other assets	—	1,346,652
Total Assets	$ 55,974,760	$ 71,022,222

Liabilities

Accts. payable & accruals	$ 3,874,457	$ 3,607,972
Income taxes	1,125,562	13,205,239
Curr. Liabilities	$ 5,000,019	$ 16,813,211
Deferred inc. taxes	152,263	5,046,942
Other liabilities	152,917	253,753
+Common stock	377,376	377,376
Add. paid-in capital	1,053,211	1,053,211
Retained earnings	56,285,366	53,235,166
Treasury stock	(7,046,392)	(5,760,437)
Total Liabilities & Shareholders' Equity	$ 55,974,760	$ 71,022,222

* At average cost not in excess of market.
≠ Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.05
%Net Income to Sales	19.76	3.44
%Net Income to Equity	6.02	1.70
Sales to Inventories	2.08	3.01
Working Capital	$ 43,143,946	$ 41,025,072
Current Ratio	9.63	3.44
Shareholders' Equity	$ 50,669,561	$ 48,905,316

Whittaker Corporation

10880 Wilshire Boulevard
Los Angeles, California 90024
(213) 475-9411
FAX (213) 879-9442

Officers: Joseph F. Alibrandi, chairman & chief executive officer; Gregory T. Parkos, president & chief operating officer; Daniel Hofmann, v.p., chief financial officer & chief accounting officer; Gordon J. Louttit, vice president; Edward R. Muller, v.p., chief administrative officer & secretary; John K. Otto, treasurer.

Directors: Joseph F. Alibrandi, chairman; Walter B. Gerken, John C. West, George H. Benter, Jr., Gregory T. Parkos.

Areas of Work: Active in three principal fields: aerospace, biotechnology and specialty chemicals. Through its aerospace segment, the company designs, manufactures and distributes a wide variety of electronic, communications and control systems for aerospace and other performance-critical applications. The company's biotechnology operations develop and produce products for the medical research, diagnostic testing and pharmaceutical testing markets. Through its Dayton Chemicals and Polychimie units, the company develops and manufactures specialty chemical formulations, primarily adhesives.

Electronics-related Divisions and Subsidiaries:

Whittaker Bioproducts, Inc.
Building 100
Biggs Ford Road
Walkersville, Maryland 21793
(301) 898-7025
Produces materials and equipment used in the diagnosis of viral diseases, and other areas of biomedical research.

Electronic Resources Division
1955 North Surveyor Avenue
Simi Valley, California 93063
(805) 584-8200

High temperature coaxial cables; electronic components and subsystems; mechanical and electronic counters

Electronic Systems Division
1785 Voyager Avenue
Simi Valley, California 93063
(805) 584-8200

Air traffic control systems; antenna tracking devices; radar simulators; radar tracking devices; tactical radar jammers; electronic components and subsystems.

Elsin Corporation
540 Oakmead Parkway
Sunnyvale, California 94086
(408) 748-9900

Whittaker Controls, Inc
12838 Saticoy Street
North Hollywood, California 91605
(818) 765-8160

Valves, actuators and pumps for aircraft hydraulic, pneumatic and fuel systems; electronic proximity switches

Whittaker Command & Controls, Inc
6190 Yarrow Drive
Carlsbad, California 92008
(619) 438-7336

Produces computerized electronic integrators which link together the various intelligence systems of the military to achieve overall pictures of battlezones.

Whittaker Ordnance, Inc
2751 San Juan Road
Hollister, California 95023
(408) 637-5851

Power Storage Systems Division
3850 Olive Street
Denver, Colorado 80207
(303) 388-4836

Transfer Agent(s):

Mellon Securities Trust Company
Four Station Square
Third Floor
Pittsburgh, Pennsylvania 15219

Stock Exchange(s): New York, Pacific

Ticker Symbol: WKR

Number of Employees:

1990	1,500	1987	N.A.
1989	3,500	1986	8,600
1988	3,900		

Plant Footage:

1990	1,149,000 sq. ft.	1987	N.A.
1989	1,947,000	1986	2,855,000
1988	2,314,000		

N.A. - Not Available

Sales & Earnings

	Net Sales +	Net Income
1990	$ 188,456,000	$ 86,704,000
1989	187,150,000	32,089,000
1988	177,448,000	23,065,000
1987	168,433,000	36,615,000
1986	163,501,000	(4,946,000)

	No. of Com Shares ⌗	Earn. per Share ⌗
1990	8,405,000	$ 10.30
1989	7,570,000	4.19
1988	6,819,000	3.30
1987	7,836,000	4.60
1986	12,537,000	

(Loss)
+ Of continuing operations only
⌗ Based on the average number of common shares and common share equivalents outstanding

Revenues by Line of Business

	1990	1989
Aerospace	$ 155,200,000	$ 155,800,000
Biotechnology	33,300,000	31,300,000
Total	$ 188,500,000	$ 187,100,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	0.25	—	—
1988	1.00	—	—
1987	0.70	—	—
1986	0.60	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share ⌗
1990	$ 38,526,000	$ 4.58
1989	(50,392,000)	—
1988	187,505,000	27.50
1987	168,199,600	21.46
1986	193,355,700	15.42

(Deficiency)
‡ After allowing for preferred stock at liquidation values
⌗ Based on the average number of common shares and common share equivalents outstanding

Income Account *
(000's)

Year ended Oct. 31	1990	1989
Net sales	$ 188,456	$ 187,150
Cost of sales	119,614	119,253
Expenses	41,808	41,405
Interest expense	11,385	7,680
Other interest	317	1,665
Interest income	(961)	(1,035)
Nonrecurring items	6,997	14,115
Inc. bef. taxes	$ 9,296	$ 4,067
Income taxes	3,664	1,613
Inc. - cont. oper.	$ 5,632	$ 2,454
Inc. - discont. oper.	81,072	29,635
Net Income	$ 86,704	$ 32,089

* Included in Costs and Expenses, Depreciation and Amortization: $12,393,000 in 1990 and $9,768,000 in 1989

Assets
(000's)

As of Oct. 31	1990	1989
Cash	$ 5,761	$ 10,443
Receiv., net	63,479	68,329
*Inventories	34,342	38,215
Prepaid expenses	692	1,109
Deferred taxes	16,582	17,828
Net assets-discont. oper.	6,593	59,253
Current Assets	$ 127,449	$ 195,177
⌗Fixed assets	45,362	44,443
Goodwill	7,559	7,769
Intangibles	2,913	3,747
Notes receiv.	7,498	6,322
Debt issuance costs	1,146	12,140
Other assets	8,616	12,627
Net assets-discont. oper.	42,312	126,266
Total Assets	$ 242,855	$ 408,491

Liabilities
(000's)

Notes payable	$ —	$ 3,101
Long-term debt, curr.	4,173	142,616
Accts. payable	24,461	33,497
Accruals	33,216	32,613
Curr. Liabilities	$ 61,850	$ 211,827
Long-term debt	104,048	197,758
Def. inc. taxes	10,322	10,038
Other liabilities	26,634	35,626
+Preferred stock		
$5.00 cumulative convert.	15	37
Series D partic. convert.	1	1
++Common stock	74	73
Add. paid-in capital	2,315	1,226
Retained earnings (deficit)	37,301	(49,319)
Cum. trans. adjust.	295	1,224
Total Liabilities & Shareholders' Equity	$ 242,855	$ 408,491

* At lower of cost (FIFO) or market.
⌗ Less accumulated depreciation and amortization.
+ $1 par value.
++ $0.01 par value.

Statistical Summary

Sales to Inventories	5.49	5.02
Debt to Equity	2.71	—
Working Capital	$ 65,599,000	—
Current Ratio	2.06	—
Shareholders' Equity (Deficiency)	$ 40,001,000	$ (46,758,000)

Wickes Companies, Inc.

3340 Ocean Park Boulevard
P.O. Box 4056
Santa Monica, California 90405
(213) 452-0161
FAX: (213) 452-9509

(Became a privately held corporation via a leveraged buyout by WCI Holdings Corporation, a corporation jointly owned by Blackstone Capital Partners, L.P. and Wasserstein, Perella Partners, L.P., on April 13, 1989.)

Officers: James R. Birle, co-chairman of the board & chief exec. officer; Robert B. McKeon, co-chairman of the board; James N. Castleberry, v.p. & comptroller; Michael Jamieson, v.p.-financial planning & analysis.

Directors: James R. Birle, Co-Chairman; Robert B. McKeon, Co-Chairman; Stephen A. Schwarzman; Thomas J. Campbell; Randall J. Weisenburger; David A. Stockman.

Areas of Work: The Wickes Manufacturing division produces diesel and gasoline pistons, electrical and electronic components, bumpers, aluminum castings, extrusions and tubing, stampings, mechanical components (shifters and parking brakes), window regulators, convertible tops and power units, electro-mechanical actuators, and wire-formed assemblies for the automotive industry. It also manufactures electronic connectors for the electrical and electronic markets, electrical wire and cable, and proprietary commercial refrigeration and air-conditioning systems for the construction market. In addition, Wickes Manufacturing division makes safety hardware and systems for military air crewmen and thermo processes specialty metals for aircraft and missile components. The Wickes Engineering division manufactures aircraft arresting gear, prototype and production parts for aircraft jet engines and replacement turbine blades for electrical generators.

In the retail area, the Company operates Builders Emporium home improvement centers and Orchard Supply Hardware stores. Manufacturing operations other than electronic are conducted by Collins & Aikman, which manufactures upholstery, carpet, specialty textiles and yarns, wallcoverings, and warp knit fabrics.

Electronics Divisions:

Wickes Engineering
Mal Tool & Engineering
Cepco
Klock

Larkin, Inc.
Manufactures OEM coils and refrigeration products.

Number of Employees:

1990	25,200	1987	35,000
1989	29,500	1986	60,000
1988	38,000		

Plant Footage:*

1990	N.A.	1987	4,409,000
1989	3,945,000 sq. ft.	1986	4,000,000
1988	4,150,800		

* Electronics manufacturing only.
N.A.-Not Available

Sales & Earnings

	Net Sales + (000's)	Net Income # (000's)
1991	$ 2,359,486	$ (91,625)
1990	2,591,866	231,858
1989	2,777,598	(122,542)
1988	2,713,474	180,511
1987	1,468,311	83,750

	No. of Com Shares †	Earn. per Share #‡
1991	47,808,000	$ —
1990	47,808,000	4.89
1989	47,675,000	—
1988	47,770,000	3.68
1987	47,810,000	1.65

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $39,205,000 ($0.82 per share) in 1991, $167,510,000 ($3.50 per share) in 1990 and extraordinary loss of $11,509,000 ($0.24 per share) in 1988.
† Adjusted to reflect reverse stock split.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Revenues by Line of Business
(000's)

	1991	1990
Automotive & industr prods.	$ 752,928	$ 747,513
Home improve. & wallcoverings	847,400	1,014,789
Textiles	759,158	829,564
Total	$ 2,359,486	$ 2,591,866

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1991	$ 0.76	—	—
1990	.04	—	—
1989	—	—	—
1988	—	—	1-for-5

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share †
1991	$ 905,679	$ 18.94
1990	1,038,331	21.72
1989	1,062,587	22.29
1988	1,191,216	24.94
1987	1,011,022	21.15

‡ After allowing for preferred stock at liquidation value
† Adjusted to reflect reverse stock split

Income Account *
(000's)

Year ended	1/26/91	1/27/90
Net sales	$ 2,359,486	$ 2,591,866
Cost of sales	1,699,294	1,896,672
Expenses	584,598	630,108
Restruc. costs	22,275	39,265
Settle. of litigation	—	1,500
Interest expense	109,914	154,485
Loss (gain) on sale of assets	(1,288)	7,499
Loss before taxes	$ (55,307)	$ (137,663)
Income taxes	18,003	7,505
Loss-cont. oper.	$ (73,310)	$ (145,168)
Inc. (loss)-discont. oper.	(57,520)	211,516
Net Income (Loss)	$ (130,830)	$ 66,348
Extraord. gain	39,205	167,510
Net Income (Loss) & extraord. gain	$ (91,625)	$ 233,858

*Included in Costs and Expenses, Depreciation and Amortization: $104,206,000 in 1990 and $112,769,000 in 1989.

Assets
(000's)

As of	1/26/91	1/27/90
Cash & short-term invest.	$ 145,770	$ 217,004
Accts. receiv., net	239,745	386,527
*Inventories	385,182	464,464
Other curr. assets	33,732	47,429
Current Assets	$ 804,429	$ 1,115,424
#Fixed assets	470,861	558,358
Purch. price in exc. of assets acq.	888,950	968,128
Other assets	135,467	169,687
Total Assets	$ 2,299,707	$ 2,811,597

Liabilities
(000's)

Notes payable	$ 14,794	$ 38,437
Long-term debt, curr.	9,785	8,356
Accts. payable	152,958	229,544
Accruals	229,754	288,159
Other curr. liabilities	12,497	16,412
Curr. Liabilities	$ 419,788	$ 580,908
Long-term debt	839,458	1,052,206
Cap. lease oblig.	11,114	14,409
Deferred inc. taxes	78,418	80,493
+Preferred stock	181	181
++Common stock	4,781	4,781
Add. paid-in capital	974,559	974,559
Retained earnings (deficit)	(34,558)	97,966
For. curr. trans. adjust.	8,950	9,523
Pension eq. adjust.	(2,984)	(3,429)
Total Liabilities & Shareholders Equity	$ 2,299,707	$ 2,816,772

* At lower of cost (FIFO or retail) or market, but not in excess of net realizable value
# Less accumulated depreciation and amortization
+ $0.10 par value; $2.50 dividend
++ $0.10 par value

Statistical Summary

% Net Income to Equity	—	6.12
Sales to Inventories	6.13	5.58
Debt to Equity	0.92	1.03
Working Capital	$ 384,641,000	$ 534,516,000
Current Ratio	1.92	1.92
Shareholders' Equity	$ 950,929,000	$ 1,083,581,000

Wiltek, Inc.

542 Westport Avenue
Norwalk, Connecticut 06851
(203) 853-7400
FAX: (203) 846-3177

Officers: Robert W. Cruickshank, chairman; Jay W. Fitzpatrick, president, chief exec. officer and treasurer; Boris Frenkiel, v.p. & asst. secretary; F. Spencer Pooley, Jr., v.p.; Jeffrey Stuart, v.p.; Paul F. Jacobson, secretary.

Directors: Martha M. Driver, Richard T. Niner, Ellis L. Phillips, Jr., Jay W. Fitzpatrick, Robert W. Cruickshank, Robert J. Campbell, Robert Capone.

Areas of Work: Designs, implements and operates worldwide message and data communication services that enable organizations with otherwise incompatible terminals, computers and communication networks to send and receive information.

Subsidiary:

Wiltek (U.K.) Ltd.
84 Upper Richmond Road
London SW152ST, England

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Employees*:

1990	46	1987	37
1989	42	1986	33
1988	39		

Plant Footage:

1990	18,500 sq. ft.	1987	16,000
1989	18,500	1986	16,000
1988	16,000		

* Full-time only

Sales & Earnings

	Revenues	Net Income
1990	$ 7,349,600	$ 945,000
1989	6,116,300	585,600
1988	4,412,500	212,800
1987	3,719,900	11,400
1986	3,512,500	170,100

	No. of Com Shares	Earn. per Share #
1990	3,612,858	$ 0.24
1989	3,734,058	0.15
1988	4,238,058	0.05
1987	4,474,219	—
1986	4,574,219	0.04

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 3,362,200	$ 0.93
1989	2,738,500	0.73
1988	2,661,900	0.63
1987	2,683,300	0.60
1986	2,776,900	0.61

Income Account •

Year ended Oct. 31	1990	1989
Revenues		
Comm. serv. & lic. fees	$ 7,325,900	$ 6,038,400
Terminal revenues	23,700	77,900
Total revenues	$ 7,349,600	$ 6,116,300
Cost of revenues	3,515,400	2,787,200
Expenses	2,795,200	2,658,400
Interest income	(116,800)	(75,100)
Other exp.	210,800	160,200
Net Income	$ 945,000	$ 585,600

• Included in Costs and Expenses, Depreciation and Amortization: $495,900 in 1990 and $390,700 in 1989.

Assets

As of Oct. 31	1990	1989
Cash & cash equiv.	$ 994,300	$ 818,000
Short-term investments	785,200	448,500
Accts. receiv., net	827,900	471,400
Other curr. assets	60,700	54,000
Current Assets	$ 2,668,100	$ 2,191,900
‡ Rental Equip	1,634,800	1,392,600
Total Assets	$ 4,302,900	$ 3,584,500

Liabilities

	1990	1989
Accounts pay. & accruals	$ 940,700	$ 846,000
Curr. Liabilities	$ 940,700	$ 846,000
+Common stock	1,602,900	1,593,900
Add. paid-in capital	5,723,200	5,702,100
Deficit	(2,533,000)	(3,478,000)
Treasury stock	(1,430,900)	(1,079,500)
Total Liabilities & Shareholders' Equity	$ 4,302,900	$ 3,584,500

‡ Less accumulated amortization.
+ No par value; $0.33 1/3 stated value.

Statistical Summary

	1990	1989
% Net Income to Revenues	12.86	9.57
% Net Income to Equity	28.11	21.38
Working Capital	$ 1,727,400	$ 1,345,900
Current Ratio	2.84	2.59
Shareholders' Equity	$ 3,362,200	$ 2,738,500

WMS Industries, Inc.

3401 North California Avenue
Chicago, Illinois 60618
(312) 728-2300
FAX: (312) 539-2099

Officers: Louis J. Nicastro, chairman of the board, president & chief executive officer; Neil D. Nicastro, exec. v.p., treasurer & chief operating officer; Harold H. Bach, Jr., v.p.-finance.

Directors: Louis J. Nicastro, chairman; Norman J. Menell, William C. Bartholomay, William E. McKenna, Harvey Reich, George Baker, Neil D. Nicastro.

Areas of Work: The Company is engaged in the design, manufacture and sale of coin-operated amusement games. The Company's games include both pinball and video games which use electronic technology. The Company is also involved in the ownership and operation of hotels and casinos.

Subsidiaries:

Posadas de Puerto Rico Associates, Inc.
999 Ashford Avenue
San Juan 00902 Puerto Rico
(809) 721-1000

Williams Electronics Games, Inc.
3401 North California Avenue
Chicago, Illinois 60618
(312) 267-2240

WMS Games Parts & Service Inc.
3401 North California Avenue
Chicago, Illinois 60618
(312) 267-2240

Midway Manufacturing Company
3401 North California Avenue
Chicago, Illinois 60618
(312) 267-2240

Williams Hospitality Management Corporation
Isla Verde Road 187
Carolina 00913 Puerto Rico
(809) 791-2000

El Conquistador Partnership L.P.
Isla Verde Road 187
Carolina 00913 Puerto Rico
(809) 791-2000

Posadas de San Juan Associates
El San Juan Hotel & Casino
Isla Verde Road 187
Carolina, San Juan 00913, Puerto Rico
(809) 791-1000

Transfer Agent(s):

The Bank of New York
101 Barclay Street
New York, New York 10286
(800) 524-4458

Stock Exchange(s): New York

Ticker Symbol: WMS

• Electronics-related only

Sales & Earnings

	Revenues +	Net Income #
1990	$ 147,062,000	$ (10,293,000)
1989	143,940,000	218,000
1988•	81,347,000	(2,209,000)
1987	122,974,000	(2,306,000)
1986	103,862,000	(3,401,000)

	No. of Com. Shares ‡	Earn. per Share #‡
1990	8,277,160	$ —
1989	7,894,030	0.03
1988•	7,894,030	—
1987	8,013,475	—
1986	7,532,307	—

(Loss)
• 9 months
+ Of continuing operations only.
# Including extraordinary loss of $2,611,000 ($0.31 per share) in 1989.
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 11,235,000	$ 1.36
1989	19,978,000	2.53
1988	19,408,000	2.46
1987	21,882,000	2.73
1986	23,999,000	3.19

‡ Based on the average number of shares outstanding.

Income Account
(000's)

Year ended Jun. 30	1990	1989
Net sales	$ 87,512	$ 90,606
Hotel & casino oper.	59,550	53,334
Total income	$ 147,062	$ 143,940
Cost of sales	79,170	76,320
Hotel/casino oper. exp.	35,367	33,019
Expenses	23,915	21,428
Depreciation & amortization	4,988	4,196
Eq. in inc. of affils.	(2,574)	(1,977)
Relocation & restruc. costs	2,800	—
Losses (gains) on market sec.	7,033	(339)
Minority interest	586	419
Gain on insur. recovery	(2,033)	—
Interest income	(998)	(2,086)
Interest expense	9,101	8,831
Inc. (loss) bef. taxes	$ (10,293)	$ 4,129
Income taxes	—	1,300
Net Income (Loss)	$ (10,293)	$ 2,829
Extraord. loss	—	(2,611)
Net Income (Loss) & extraord. loss	$ (10,293)	$ 218

Assets
(000's)

As of June 30	1990	1989
Cash & cash equiv.	$ 4,330	$ 16,353
Accts. receiv., net	25,706	28,373
Receiv. from unconsol. affil.	2,117	765
•Inventories	14,929	10,779
Other curr. assets	3,492	1,975
Current Assets	$ 50,574	$ 58,245
Invest. to unconsol. affil.	8,786	6,612
Investments in securities	—	6,554
#Fixed assets	48,167	43,151
Exc. of cost over assets acq.	8,506	8,732
Other assets	3,548	3,189
Total Assets	$ 119,581	$ 126,483

Liabilities
(000's)

	1990	1989
Notes payable	$ 10,221	$ 11,886
Long-term debt, curr.	5,770	5,312
Accts. payable	18,224	14,811
Accr. compen. & rel. benefits	3,744	4,058
Pay. to unconsol. affil.	962	3,217
Accrued relocation costs	2,472	—
Other curr. liab.	3,348	3,735
Curr. liabilities	$ 44,741	$ 43,019
Long-term debt	56,208	61,217
Pay. to unconsol. affil.	3,155	—
Other liabilities	2,460	1,463
Minority interest	1,782	806
+Common stock	4,263	4,000
Add. paid-in capital	3,761	2,890
Retained earnings	5,097	15,390
Receiv. from stock sale	(1,705)	(1,705)
Treasury stock	(181)	(128)
Unreal. loss on invest.	—	(469)
Total Liabilities & Shareholders' Equity	$ 119,581	$ 126,483

• At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Total Income	—	2.87
% Net Income to Total Income	—	1.97
% Net Income to Equity	—	3.93
Debt to Equity	6.43	2.36
Working Capital	$ 5,833,000	$ 15,226,000
Current Ratio	1.13	1.35
Shareholders' Equity	$ 11,235,000	$ 19,978,000

Wyle Laboratories

128 Maryland Street
El Segundo, California 90245
(213) 322-1763
FAX: (213) 322-3603

Officers: Charles M. Clough, chairman of the board, president & chief executive officer; Theodore M. Freedman, exec. v.p.-finance, treasurer & chief financial officer; Ralph L. Ozorkiewicz, exec. v.p., & president-Electronics Marketing Group; John R. Herring, exec. v.p., & president-Scientific Services & Systems Group; Joseph E. Sullivan, v.p.-administration, taxes & secretary; R. Van Ness Holland, Jr., v.p. & corp. controller; Stephen D. Natcher, secretary & general counsel.

Directors: Charles M. Clough*, Lawrence E. Irell, Frank S. Wyle*, John R. Herring*, Raymond J. Raff, James J. McMorrow*, Edward Sanders, F. Stephen Wyle, Theodore M. Freedman*, John B. Farrell, Jack S. Kilby.

* Member of the Executive Committee

Areas of Work: Industrial distribution of electronic components and systems including sales, service, and finance functions; research, engineering, and testing services to the energy and aerospace/defense industries; manufactures electronic enclosures and electrical cables.

Divisions and Subsidiaries:

Scientific Services & Systems Group

Huntsville Facility
7800 Governors Drive, West
P.O. Box 1008
Huntsville, Alabama 35807
(205) 837-44 1
Provides engineering, testing and support services for the aerospace, defense and nuclear power industries.

Hampton Facility
3200 Magruder Boulevard
Hampton, Virginia 23666
(804) 838-5000
Design, assembly, programming, and operation of computer-based data systems; instrument calibration and maintenance.

Norco Facility
1841 Hillside Avenue
Norco, California 91760
(714) 737-0781
Provides engineering, testing and support services for the aerospace, defense and nuclear power industries.

El Segundo Facility
128 Maryland Street
El Segundo, California 90245
(213) 678-4251
Provides engineering, testing and support services for the aerospace, defense and nuclear power industries.

Applied Research
Houston, Texas
El Segundo & Santa Clara, California
Colorado Springs, Colorado
Provides engineering and management services to the aerospace/defense market.

Research Staffs:
Consulting services and contract research in the physical sciences, specializing in acoustics, aerospace and seismic studies.

Burton Electrical Engineering
111 Maryland Street
El Segundo, California 90245
Design and manufacture of electrical ground support systems for aircraft, electrical cable systems for the oil well industry, and other kinds of electrical systems.

Electronic Enclosures

225 South Aviation Boulevard
El Segundo, California 90245
(213) 679-0181

6995 Airport Highway
Pennsauken, New Jersey 08109
(609) 665-6810
Supplies standard electronic cabinetry as well as sophisticated TEMPEST RFI shielded cabinets which are used to secure military communications.

Electronics Marketing Group
Distribution of electronic components and computer systems.

Facilities:

Austin, Dallas & Houston, Texas

Boston, Massachusetts

Denver, Colorado

Garden Grove, Huntingdon Beach, Irvine, Los Angeles, Sacramento, San Diego & Santa Clara, California

Phoenix, Arizona

Portland, Oregon

Salt Lake City, Utah

Seattle, Washington

Transfer Agent(s)

Security Pacific National Bank
Corporate Services Division
P.O. Box 3546, Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York

Ticker Symbol: WYL

Sales & Earnings

	Net Sales †	Net Income
1990	$ 415,587,000	$ 7,478,000
1989	410,909,000	7,800,000
1988	368,033,000	5,779,000
1987	307,000,000	4,307,000
1986	260,816,000	(3,196,000)

	No. of Com. Shares ≠	Earn. per Share ≠
1990	10,019,000	$ 0.75
1989	10,173,000	0.77
1988	10,189,000	0.57
1987	9,779,000	0.44
1986	9,635,000	—

(Loss)
† Of continuing operations only.
≠ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Electronics mktng.	$ 319,061	$ 318,107
Scientific serv. & syst.	96,526	92,802
Total	$ 415,587	$ 410,909

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1990	$ 0.28	—	—
1989	0.28	—	—
1988	0.27	—	5-for-4
1987	0.26	—	—
1986	0.26	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 94,286,000	$ 9.77
1989	93,851,000	9.26
1988	88,522,000	8.78
1987	80,612,000	8.37
1986	78,373,000	8.18

‡ Adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 415,587,000	$ 410,909,000
Cost of sales	320,918,000	317,207,000
Expenses	79,666,000	77,563,000
Interest expense	3,240,000	3,770,000
Other income	(198,000)	(568,000)
Income before taxes	$ 11,961,000	$ 12,937,000
Income taxes	4,483,000	5,137,000
Net Income	$ 7,478,000	$ 7,800,000

* Included in Costa dn Expenses, Depreciation and Amortization: $5,180,000 in 1990 and $5,134,000 in 1989.

Assets

As of Jan. 31	1990	1989
Cash and equiv.	$ 8,184,000	$ 4,889,000
Accts. receiv., net	64,251,000	64,886,000
*Inventories	63,663,000	74,282,000
Prepaid expenses	4,580,000	4,731,000
Current Assets	$ 140,678,000	$ 148,788,000
≠Fixed assets	31,306,000	30,243,000
Other assets	4,158,000	3,882,000
Total Assets	$ 176,142,000	$ 182,913,000

Liabilities

Notes payable	$ —	$ 4,700,000
Long-term debt, curr.	821,000	11,320,000
Accts. payable	22,530,000	19,999,000
Accruals	15,716,000	16,549,000
Curr. Liabilties	$ 39,067,000	$ 52,568,000
Long-term debt	11,571,000	7,405,000
Convertible sub. debentures	25,000,000	25,000,000
Deferred inc. taxes	6,218,000	4,089,000
+Common stock	49,757,000	52,232,000
Retained earnings	44,529,000	41,619,000
Total Liabilities & Shareholders' Equity	$ 176,142,000	$ 182,913,000

* At lower of cost (FIFO or average) or market.
≠ Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	2.88	3.15
% Net Income to Sales	1.80	1.90
% Net Income to Equity	7.93	8.31
Sales to Inventories	6.53	5.53
Debt to Equity	0.13	0.25
Working Capital	$ 101,611,000	$ 96,220,000
Current Ratio	3.60	2.83
Shareholders' Equity	$ 94,286,000	$ 93,851,000

Xerox Corporation

P.O. Box 1600
800 Long Ridge Road
Stamford, Connecticut 06904
(203) 968-3000
FAX: (203) 322-5374

Officers: David T. Kearns, chairman & chairman of the executive committee; Paul A. Allaire, president & chief executive officer; Stuart B. Ross, chairman & chief exec. officer-Xerox Financial Services; Roland E. Magnin, exec. v.p.; Wayland R. Hicks, exec. v.p. & president-marketing & customer operations; William C. Lowe, exec. v.p.-development & manufacturing; A. Barry Rand, group v.p. & president-U.S. Marketing Group; William F. Buehler, sr. v.p.-human resources; Julius L. Marcus, sr. v.p.-markets development; Leonard Vickers, sr. v.p.-Worldwide Business &

Strategic Development; Patricia C. Barron, v.p.-corp. Information Development; Richard S. Paul, v.p. & general counsel; John See's Brown, v.p.-Palo Alto Research Center; Charles F. Buchheit, v.p.-systems marketing, U.S. Marketing Group; Alllan F. Dugan, sr. v.p. & gen. mgr.-mfg. operations; Philip D. Fischbach, v.p.-finance & U.S. marketing group; Eunice M. Filter, v.p., secretary & treasurer; Charles P. Holt, sr. v.p.-xerox systems development; Robert J. Kammerer, v.p.-corp. strategic accounts; Roger E. Levien, v.p.- strategy office; Mark Myers, v.p.-corp. research grouyp; Thomas P. Maletta, v.p.-taxes; John J. McGinty, v.p.-management control evaluation & corp. audit; Norman E. Rickard, v.p.-corp. quality office; Alan Z. Senter, v.p.-finance; David R. Myerscough, group v.p.-worldwide marketing; Donald A. Zrebiec, v.p.-management resources; Ronald B. Campbell, Jr., vice president & sr. v.p.-strategy & architecture; Charles E. Otto, vice president & sr. v.p.-operations, U.S. Marketing Group; Richard C. Palermo, vice president & sr. v.p.-marketing support, U.S. Marketing Group; Eric L. Steenburgh, vice president & sr. v.p. & gen. mgr.-manufacturing; Raghunandan D. Sachdev, v.p. & controller; Robert R. Evans, asst. treasurer.

Directors: David T. Kearns*, chairman; Paul A. Allaire*, Robert A. Beck, Joan Ganz Cooney, B. R. Inman, Vernon E. Jordan, Jr., Yotaro Kobayashi, C. Peter McColough, N. J. Nicholas, Jr., Ralph S. Larsen, John E. Pepper, Thomas C. Theobald.

* Member of the Executive Committee

Areas of Work: The company is principally in the business equipment and financial services businesses. Within the business equipment segment, the reprographics business consists of the development, manufacture, marketing and maintenance of xerographic copiers and duplicators. It also includes the manufacture and/or marketing of related paper and other supplies. Within the business equipment segment, the information systems business consists of the development, manufacture, marketing and maintenance of electronic, impact and electrostatic printers, workstations, information processing products, electronic typewriters, plotters, facsimile transceivers, software, networks, and related supplies. The principal markets for business equipment products are business and government offices. The primary method of marketing such products is through the Company's sales force.

Divisions and Subsidiaries:

AutEx Systems
55 Williams Street
Wellesley, Massachusetts 02135
(617) 235-1940

Diablo Systems, Inc.
24500 Industrial Blvd.
Hayward, California 94545
(415) 786-5000

Kurzweil Computer Products, Inc.
33 Cambridge Parkway
Cambridge, Massachusetts 02142
(617) 864-4700

Systemix
2737 Campus Drive
Irvine, California 92715
(714) 851-1010

Versatec, Inc.
2805 Bowers Avenue
Santa Clara, California 95051
(408) 988-2800

Xerox Business Products & Systems Group
P.O. Box 1600
Stamford, Connecticut 06904
(203) 968-3000

Xerox Canada, Inc.
703 Don Mills Road
Don Mills, Ontario M3C 1SD, Canada
(416) 429-6750

U.S. Marketing Group
Xerox Square
Rochester, New York 14644
(716) 427-5400

Special Markets Group
101 Continental Boulevard
El Segundo, California 90245
(213) 333-2428

Custom Systems Division
1616 North Ft. Myer Drive
Arlington, Virginia 22209
(703) 527-6400

Corporate Research Group
P.O. Box 1600
Stamford, Connecticut 06904
(203) 968-3000

Xerox Computer Services
5310 Beethoven Street
Los Angeles, California 90066
(213) 390-3461

Fuji Xerox Co., Ltd. (50% owned)
3-5 Akasaka 3-chome
Minato-ku, Tokyo 107, Japan

Xerox Group Affiliate Operations
3 Pickwick Plaza
Greenwich, Connecticut 06830
(213) 622-4700

Xerox Limited, Hong Kong
P.O. Box 489
12C Watson's Estate
North Point, Hong Kong, China

Xerox Learning Systems
One Pickwick Plaza
Greenwich, Connecticut 06830
(203) 622-5300

Xerox Magnetics
150 Charcot Avenue
San Jose, California 95131
(408) 262-4136

Xerox Medical Systems
125 N. Vinedo Avenue
Pasadena, California 91107
(213) 251-2351

Xerox Memory Division
3333 Bowers Avenue, Suite 250
Santa Clara, California 95051
(408) 727-7710

Xerox Information Products Division
901 Page Avenue
Fremont, California 94537
(415) 498-7000

Integrated Systems Operations
7900 Westpark Drive
McLean, Virginia 22102
(703) 442-6700

Engineering Systems Division
Xerox Square
Rochester, New York 14644
(716) 427-5400

Xerox Printing Systems Division
Xerox Corporation
Continental Park
880 Apollo Street
El Segundo, California 90245
(213) 536-7000

Xerox Electronics Division
701 S. Aviation Blvd.
El Segundo, California 90245
(213) 536-7000

Xerox Office Systems Division
2100 Geng Road
Palo Alto, California 94303
(415) 496-6000

Xerox Information Systems Division
2100 Geng Road
Palo Alto, California 94303
(415) 496-6000

Xerox General Services Division
Xerox Square
100 Clinton Avenue
Rochester, New York 14644
(716) 427-5400

Rank Xerox Limited
Parkway, Marlow
Buckinghamshire SL7 1YL, England

Xerox Special Businesses Division
Xerox Corporation
Xerox Square
Rochester, New York 14644

Xerox Argentina, I.C.S.A.
Xerox do Brasil, S.A.
Xerox de Chile, S.A. Reproducciones
Xerox del Ecuador, S.A.
Industrias Xerographicas, S.A. de C.V.
Xerox del Peru, S.A.
Xerox de Venezuela, C.A.
Xerox de Colombia, S.A.
Xerox Research (UK) Limited
Rank Xerox Holding B.V. (50% owned)
Rank Xerox Manufacturing (Nederland) B.V.
Societe Industrielle Rank Xerox S.A.
Bessemer Trust Limited
Lyell Holdings Ltd.
Fuji Xerox Co., Ltd.
Rank Xerox (U.K.) Limited
Rank Xerox (Ireland) Limited
Rank Xerox de Espana Limited
Rank Xerox Espanola S.A.
Rank Xerox (N.Z.) Ltd.
Rank Xerox S.A.
Rank Xerox Exports Ltd.
Rank Xerox Business Equipment Inc.
Rank Xerox Investments Ltd.
Xerox International Sales Corp.
Rank Xerox (Management) Limited (50% owned)
N.V. Rank Xerox S.A.
Rank Xerox (Australia) Pty. Ltd.
Rank Xerox Austria G.m.b.H.
Rank Xerox A/S
Rank Xerox Oy
Rank Xerox G.m.b.H.
Rank Xerox Greece S.A.
Rank Xerox S.p.A.
Rank Xerox (Nederland) B.V.
Rank Xerox A/S
Rank Xerox A.B.
Rank Xerox A.G.

Xerox Financial Services, Inc.
Norwalk, Connecticut

Van Kampen Merritt, Inc.
Lisle, Illinois

Furman Selz Holding Corporation
New York, New York

Xerox Life
Lisle, Illinois

Transfer Agent(s):

Xerox Corporation
P.O. Box 2007
Rochester, New York 14603

Stock Exchange(s): New York, Midwest, Boston, Cincinnati, Pacific, Philadelphia, London, Paris, Basel, Berne, Geneva, Lausanne, Zurich, Amsterdam, Dusseldorf, Frankfurt.

Ticker Symbol: XRX (New York)

Number of Employees:*

1990	110,000	1987	112,300
1989	111,400	1986	112,400
1988	113,200		

* Including Insurance and Other Financial Services

Sales & Earnings

	Oper Rev † (000's)	Net Income (000's)
1990	$ 17,973,000	$ 243,000
1989	17,229,000	704,000
1988	16,177,000	388,000
1987	14,890,000	578,000
1986	13,187,000	465,000

	No. of Com. Shares	Earn. per Share ≠
1990	92,231,000	$ 1.66
1989	92,115,000	6.56
1988	102,862,000	3.49
1987	100,096,000	5.30
1986	97,651,000	4.25

† Of continuing operations only.
≠ Based on the average number of common shares and Class B shares outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Business equipment	$ 12,692,000	$ 11,720,000
Xerox equip. financing	891,000	711,000
Insurance	4,184,000	4,591,000
Other financial services	206,000	207,000
Total	$ 17,973,000	$ 17,229,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 3.00	—	—
1989	3.00	—	—
1988	3.00	—	—
1987	3.00	—	—
1986	3.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 5,051,000	$ 53.73
1989	5,035,000	53.59
1988	5,371,000	52.22
1987	5,105,000	51.00
1986	4,687,000	48.00

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Revenues	$ 17,973,000	$ 17,229,000
Cost of sales & expenses	16,870,000	16,074,000
Income before taxes	$ 1,103,000	$ 1,155,000
Income taxes	311,000	350,000
Minorities' interests in earn. of subsid.	187,000	152,000
Inc.-cont. oper.	$ 605,000	$ 653,000
Inc. (loss)-discont. oper.	(362,000)	51,000
Net Income	$ 243,000	$ 704,000

* Included in Costs and Expenses, Depreciation and Amortization: $691,000,000 in 1990 and $714,000,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 224,000	$ 142,000
Accts. receiv., net	3,521,000	3,239,000
Finance receiv., net	6,178,000	5,620,000
*Inventories	2,148,000	2,413,000
Investments	10,479,000	9,394,000
≠Fixed assets	2,012,000	1,947,000
Invest. in affil.	795,000	684,000
Exc. of costs over assets acq.	1,026,000	1,101,000
Invest. in discont. oper.	3,111,000	3,669,000
Other assets	2,001,000	1,799,000
Total Assets	$ 31,495,000	$ 30,088,000

Liabilities
(000's)

	1990	1989
Accts. payable	$ 904,000	$ 814,000
Accrued compensation	969,000	922,000
Unearned income	1,399,000	1,557,000
Insurance reserves	9,264,000	8,015,000
Other liabilities	2,312,000	1,980,000
Short-term debt & long-term debt, curr.	3,331,000	3,193,000
Long-term debt	7,108,000	7,481,000
Deferred ESOP benefits	(756,000)	(785,000)
Minorities' interests in eq. of subsid.	832,000	715,000
+Redeem. pref. stock	1,081,000	1,081,000
++Common stock	94,000	94,000
Add. paid-in capital	513,000	511,000
Retained earnings	4,516,000	4,641,000
Unreal. gain (loss) of equity invest.	(88,000)	22,000
Cum. trans. adjust.	16,000	(233,000)
Total Liabilities & Shareholders' Equity	$ 31,495,000	$ 30,088,000

* At lower of average cost or market.
≠ Less accumulated depreciation.
+ $1 par value. The 20-year preferred is $4.125 cumulative; the 10-year preferred is $3.6875 cumulative.
++ $1 par value.

Statistical Summary

% Net Income to Equity	4.81	13.98
Debt to Equity	2.07	2.12
Shareholders' Equity	$ 5,051,000,000	$ 5,035,000,000

Zenith Electronics Corporation

1000 Milwaukee Avenue
Glenview, Illinois 60025
(708) 391-7000
FAX: (708) 391-7253

Officers: Jerry K. Pearlman, chairman and president; Michael J. Kaplan, v.p.-human resources and public affairs; Robert H. Fisher, corp. controller; Willard C. McNitt III, staff v.p., treasurer; Kell B. Benson, v.p., finance & chief financial officer; John Borst, Jr., v.p. & general counsel; David S. Levin, secretary.

Directors: Harry G. Beckner, David H. Cohen, Charles Marshall, Andrew McNally, IV, Arthur W. Schultz*, Jerry K. Pearlman*, T. Kimball Brooker*, Robert B. Hansen, G. Ralph Guthrie*, Peter S. Willmott.

* Member of the Executive Committee

Areas of Work: The Company designs, engineers, manufactures and markets high-quality consumer electronics products and components. These products include color televisions, video cassette recorder products, parts and accessories, color television picture tubes which are produced for and sold to other manufacturers, color computer monitors (including monitors that use the company's patented flat tension mask picture tube), cable and subscription television products, power suppliers, monochrome display devices, microelectronic hybrid circuits and other high-technology components.

Divisions and Subsidiaries:

Zenith Electronics Corporation
1900 North Austin Avenue
Chicago, Illinois 60639
(312) 745-2000

Zenith Microcircuits Corporation
1000 Milwaukee Ave.
Glenview, Illinois 60025
(708) 391-7000

Rauland Division
2407 W. North Ave.
Melrose Park, Illinois 60160
(312) 379-4600

Zenith Electronics Corporation
1500 No. Kostner Avenue
Chicago, Illinois 60651
(312) 292-3600

Springfield Division
2500 E. Kearney Street
Springfield, Missouri 65801
(417) 865-8341

Zenith Electronics Corp. of Texas
6601 South 33rd Street
McAllen, Texas 78503
(512) 687-9161

Electro Partes de Matamoros, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Partes de Television de Reynosa S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith Taiwan Corporation
No. 16 Chih Chiang First Road
Chung Li-Industrial District, Chung-Li Shin
Toa-Yuan Hsien, Taiwan, R.O.C.

Zenith Radio Canada, Ltd.
1020 Islington Avenue
Toronto, Ontario M8Z 5X5, Canada
(416) 231-4171

Zenith Distributing Corp. of Northern California
800 Mariposa Street
San Francisco, California 94107
(415) 621-8545

Zenith Distributing Corporation of Southern California
11945 East Pike Street
Santa Fe Springs, California 90670
(213) 699-7461

Zenith Distribution Corp. of New York
55 Charles Lindbergh Blvd.
Uniondale, New York 11553
(516) 227-1111

Zenith Distributing Corp.-Midstates
12600 West 93rd Street
Lenexa, Kansas 66215
(913) 888-4800

Zenith Distributing Corp. of Illinois
505 No. Northwest Avenue
Northlake, Illinois 60164
(708) 562-7300

Zenith Electronics (Ireland) Ltd.
Virginia Road, Kells
County Meath, Ireland

Zenith Electronics Corp. of Arizona
217 3rd Street
Douglas, Arizona 85607

Telson, S.A. de C.V.
217 3rd Street
Douglas, Arizona 85607

Zenith Video Tech Corporation
1900 North Austin Avenue
Chicago, Illinois 60639
(312) 745-2000

Zenith Video Products Corporation
1000 Milwaukee Avenue
Glenview, Illinois 60025

Cableproductos De Chihuahua, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Productos Magneticos de Chihuahua, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenco de Chihuahua, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith/Inteq, Inc.
13860 Redskin Drive
Herndon, Virginia 22071
(703) 471-1500

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest, Basel, Geneva & Zurich.

Ticker Symbol: ZE

Number of Employees:

1990	31,500	1987	35,000
1989	32,000	1986	37,000
1988	36,000		

Plant Footage:

1990	8,000,000 sq. ft.	1987	N.A.
1989	8,200,000	1986	8,300,000
1988	8,400,000		

N.A. - Not Available.

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1990	$ 1,409,900	$ (63,300)
1989	1,548,900	(68,400)
1988	1,401,000	11,700
1987	1,386,800	(28,800)
1986	1,417,000	(37,800)

	No. of Com. Shares	Earn. per Share †
1990	27,685,903	$ —
1989	26,723,908	—
1988	26,708,475	0.45
1987	25,920,280	—
1986	23,345,227	—

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1990	1989
Consumer electronics	$ 1,229,200	$ 1,321,300
Components	180,700	227,600
Total	$ 1,409,900	$ 1,548,900

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 341,500,000	$ 12.32
1989	398,200,000	14.89
1988	465,700,000	17.44
1987	440,700,000	17.00
1986	403,800,000	17.30

Income Account *
(000's)

Year ended Dec. 31	1990	1989
Net sales	$ 1,409,900	$ 1,548,900
Cost of sales	1,294,000	1,409,000
Expenses	162,400	155,300
Other income	(2,000)	(2,700)
Interest expense	12,600	6,000
Interest income	(4,600)	(800)
Gain on sale of prop.	(1,100)	(1,100)
Loss bef. taxes	$ (51,400)	$ (16,800)
Income taxes	900	200
Loss-cont. oper.	$ (52,300)	$ (17,000)
Loss-discont. oper.	(11,000)	(51,400)
Net Loss	$ (63,300)	$ (68,400)

* Included in Costs and Expenses, Depreciation: $38,800,000 in 1990 and $40,500,000 in 1989.

Assets
(000's)

As of Dec. 31	1990	1989
Cash	$ 56,300	$ 175,700
Receiv., net	198,000	240,000
*Inventories	249,600	275,000
Other curr. assets	6,600	5,300
Current Assets	$ 510,500	$ 696,000
# Fixed assets	209,000	217,000
Other assets	4,200	5,300
Total Assets	$ 723,700	$ 918,300

Liabilities
(000's)

Long-term debt, curr.	$ —	$ 38,900
Accts. payable	75,200	147,200
Accrued comp. & retire. benef.	29,800	41,400
Accrued prod. warranties	24,200	24,700
Co-op adv. & merch. prog.	20,900	22,600
Income taxes payable	20,800	19,400
Other accruals	60,200	75,000
Curr. Liabilities	$ 231,100	$ 369,200
Long-term debt	151,100	150,900
+ Common stock	27,700	26,700
Add. paid-in capital	152,500	146,800
Retained earnings	162,000	225,300
Treasury stock	(700)	(600)
Total Liabilities & Shareholders' Equity	$ 723,700	$ 918,300

* At lower of cost (majority at FIFO; remainder at LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	5.65	5.63
Debt to Equity	0.44	0.48
Working Capital	$ 279,400,000	$ 326,800,000
Current Ratio	2.21	1.89
Shareholders' Equity	$ 341,500,000	$ 398,200,000

Zentec Corporation

160 Great Oaks Blvd.
San Jose, California 95119
(408) 365-2900
FAX (408) 748-8540

Officers: Richard Calfee, chairman; James L. Siehl, president & chief exec. officer; Henry Bankenheim, v.p.-finance, chief financial officer & secretary; Zoran Simic, v.p.-operations; Anthony P. Gibbonn, v.p.-international.

Directors: Richard Calfee, chairman; Fred Patton, Ralph Gabai, James L. Siehl, David C. Seidman.

Areas of Work: Designs, manufactures and markets customized intelligent terminal products which are used in a variety of information processing applications.

Subsidiaries:

Zentec Ltd.
Orchard House
Connaught Road
Brookwood, Surrey GU24OAT England

Datamaxx USA Corporation
3044 Tharpe Street
Tallahassee, Florida 32303
(904) 224-4213

Engaged in the software aspect of computer terminal manufacture.

Transfer Agent(s):

Bank of America
National Trust & Savings Association
Box 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ZENT (NASDAQ)

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 12,021,000	$ (4,898,000)
1988	14,432,000	(7,204,000)
1987	28,937,000	620,000
1986	27,353,000	$ 3,434,000
1985	17,390,000	(4,880,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	3,554,000	$ —
1988	3,536,000	—
1987	5,143,000	0.12
1986	3,729,000	0.92
1985	3,444,000	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $140,000 ($0.02 per share) in 1987 and $1,607,000 ($0.43 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ (4,684,000)	$ —
1988	568,000	0.16
1987	8,112,000	1.58
1986	7,685,000	2.06
1985	4,222,000	1.23

(Deficiency)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Zentec Corporation

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 12,021	$ 14,432
Cost of sales	11,093	17,227
Expenses	5,025	4,490
Res. & develop	1,136	1,251
Other income	(335)	(1,332)
Net Loss	$ (4,898)	$ (7,204)

* Included in Costs and Expenses, Depreciation and Amortization: $392,000 in 1989 and $389,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 531	$ 2,846
Accts. receiv., net	2,349	1,856
*Inventories	2,434	4,764
Other curr. assets	124	326
Current Assets	$ 5,438	$ 9,792
#Fixed assets	521	884
Other assets	178	163
Total Assets	$ 6,137	$ 10,839

Liabilities
(000's)

	1989	1988
Notes pay. - rel. parties	$ 646	$ —
Cap. lease oblig., curr.	113	113
Accts. payable	1,573	733
Accrued compensation	330	478
Other accruals	1,286	1,170
Acq. rel. liability	—	400
Curr. Liabilities	$ 3,948	$ 2,894
Cap. lease oblig.	—	114
Value of net assets acq. in exc. of cost	714	1,160
Other liabilities	212	212
Redeem. preferred stock	5,947	5,891
+Common stock	13,320	13,316
Accumulated deficit	(18,004)	(12,748)
Total Liabilities & Shareholders' Equity	$ 6,137	$ 10,839

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1989	1988
Sales to Inventories	4.94	3.03
Debt to Equity	—	0.40
Working Capital	$ 1,490,000	$ 6,898,000
Current Ratio	1.38	3.38
Shareholders' Equity (Deficiency)	$ (4,684,000)	$ 568,000

Zero Corporation

444 South Flower Street
Suite 2100
Los Angeles, California 90071-2922
(213) 629-7000
FAX: (213) 629-2366

Officers: John B. Gilbert, chairman of the board; Howard W. Hill, vice chairman; Wilford D. Godbold, Jr., president & chief executive officer; James F. Hermanson, vice president; Ronald L. Hess, vice president; Robert H. Borchert, asst. secretary; George A. Daniels, v.p., chief financial officer & secretary.

Directors: John B. Gilbert, chairman; Howard W. Hill, Roger L. Putnam, Jr., Clinton G. Gerlach, Robert C. Sherburne, Wilford D. Godbold, Jr., Bernard B. Heiler, Arnold D. Larson, Whitney A. McFarlin.

Areas of Work: Engaged in the design, manufacture and sale of metal containers, cabinets, instrument cases and other packaging for the electronics and data processing industries. Also manufactures and sells proprietary plastic and metal components and assemblies used in the electronics and other industries and devices for the cooling of electronic equipment as well as baggage/cargo enclosures and accessories for the airline industry. The company also manufactures a line of aluminum luggage and camera cases under the Zero Halliburton and Anvil brand names.

Divisions and Subsidiaries:

Zero-West Division
777 Front Street
Burbank, California 91503
(818) 846-4191

Zero-East Division
288 Main Street
Monson, Massachusetts 01057
(413) 267-5561

Scanbe/Electronic Solutions
6790 Flanders Drive
San Diego, California 92121
Manufactures both standard and custom card cages, backplanes, tabletop enclosures, memory boards and accessories for the electronic marketplace.

Air Cargo Equipment Corporation
17923 So. Santa Fe Avenue
Rancho Dominguez, California 90220
Manufactures aluminum, fiberglas and plastic airborne cargo and baggage enclosures.

McLean Engineering
70 Washington Road
Princeton Junction, New Jersey 08550
Manufactures blowers and fans for cooling electronic units.

McLean Midwest
4000 83rd Avenue North
Brooklyn Park, Minnesota 55443
Manufactures air conditioners and heat exchangers for electronic equipment.

Samuel Groves & Co., Ltd.
Norton Street
Hockley, Birmingham B185RQ England
Manufactures deep drawn food service containers and accessories.

Zero-Halliburton
12224 Montague Street
Pacoima, California 91331
Manufactures luggage and camera cases.

Nielsen Hardware Company
770 Wethersfield Avenue
Hartford, Connecticut 06101
Manufactures handles, latches, hinges and other hardware for the case market.

Transfer Agent(s):

Security Pacific National Bank
701 South Western Avenue
Glendale, California 91201

Stock Exchange(s): New York, Pacific

Ticker Symbol: ZRO

Number of Employees:

1990	2,354	1987	1,680
1989	2,050	1986	1,736
1988	1,639		

Plant Footage:

1990	1,608,000 sq. ft.	1987	1,277,000
1989	1,572,000	1986	1,372,000
1988	1,285,000		

Sales & Earnings

	Net Sales †	Net Income
1990	$ 196,928,000	$ 16,114,000
1989	170,941,000	16,063,000
1988	139,073,000	13,290,000
1987	125,699,000	11,602,000
1986	123,253,000	12,777,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	15,852,842	$ 1.02
1989	15,721,493	1.02
1988	15,695,586	0.85
1987	15,621,642	0.74
1986	15,522,645	0.82

† Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1990	1989
Encl. & accessories	$ 164,937,000	$ 152,531,000
Other	31,991,000	18,410,000
Total	$ 196,928,000	$ 170,941,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.39	—	5-for-4
1989	0.34	—	—
1988	0.29	—	—
1987	0.25	—	—
1986	0.22	—	5-for-4

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 115,609,000	$ 7.32
1989	104,707,000	6.66
1988	93,685,000	5.98
1987	83,123,000	5.33
1986	73,935,000	4.80

‡ Adjusted to reflect stock splits.

Income Account
(000's)

Year ended Mar. 31	1990	1989
Net sales	$ 196,928	$ 170,941
Interest income	1,279	2,167
Other income	807	363
Total income	$ 199,014	$ 173,471
Cost of sales	129,417	106,077
Expenses	37,520	34,977
Depreciation & amortization	4,616	4,342
Interest expense	1,122	1,824
Income before taxes	$ 26,339	$ 26,251
Income taxes	10,225	10,188
Net Income	$ 16,114	$ 16,063

Assets
(000's)

As of March 31	1990	1989
Cash & cash equiv.	$ 11,935	$ 14,831
Short-term invest.	1,440	9,978
Receiv., net	30,367	29,052
*Inventories	31,413	30,106
Other curr. assets	4,382	4,592
Current Assets	$ 79,537	$ 88,559

#Fixed assets		25,103		23,403
Costs in exc. of assets acq		35,517		34,332
Other assets		7,369		5,852
Total Assets	$	147,526	$	152,146

Liabilities
(000's)

Long-term debt, curr	$	1,614	$	13,589
Accts. payable		5,573		4,976
Inc. taxes payable		609		1,769
Accrued taxes		2,177		2,246
Accrued payroll		7,214		7,066
Accrued workers' comp		1,870		1,409
Other accruals		3,046		4,813
Curr. Liabilities	$	22,103	$	35,868
Long-term debt		3,259		4,724
Other liabilities		6,555		6,847
+Common stock		158		126
Add. paid-in capital		25,919		24,663
Retained earnings		89,316		79,570
For. curr. trans. adj		216		348
Total Liabilities & Shareholders' Equity	$	147,526	$	152,146

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales		13.37		15.36
%Net Income to Sales		8.18		9.40
%Net Income to Equity		13.94		15.34
Sales to Inventories		6.27		5.68
Debt to Equity		0.04		0.17
Working Capital	$	57,434,000	$	52,691,000
Current Ratio		3.60		2.47
Shareholders' Equity	$	115,609,000	$	104,707,000

Zygo Corporation

Laurel Brook Road
Middlefield, Connecticut 06455
(203) 347-8506
FAX: (203) 347-8372

Officers: Paul F. Forman, chairman of the board, chief exec. officer & treasurer; Richard T. Fedor, president & chief operating officer; Carl A. Zanoni, v.p.-research & development; Clarence H. Thiesen, v.p.-finance; Sol F. Laufer, v.p.-optics group; Thomas O. Hagerth, v.p.-international; I. Frederick Shotkin, secretary.

Directors: Paul F. Forman, chairman; Carl A. Zanoni, Takashi Kojima, Robert G. McKelvey, Richard T. Fedor, Todd S. Myhre, Hideharu Takemoto, Robert B. Taylor.

Areas of Work: The company designs, develops, manufactures and markets high-performance, laser-based, non-contact electro-optical components to extremely precise tolerances both for sale and for use as key elements in its own products. The company's instruments and systems are used to enhance productivity and improve product quality in a variety of industrial, scientific, and aerospace applications. The company is a worldwide producer of general purpose laser interferometers, microprocessor-based interferometer data analyzers, and related accessories which measure optical elements and systems, and precision manufactured components. The company also produces laser telemetric systems, which use scanning laser beams and microprocessor-based signal processors to make precision dimensional measurements.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ZIGO (NASDAQ)

Number of Employees:

1990	270	1987	320
1989	280	1986	355
1988	300		

Plant Footage:

1990	100,000 sq. ft.	1987	100,000
1989	100,000	1986	100,000
1988	100,000		

Sales & Earnings

		Net Sales		Net Income
1990	$	26,461,000	$	935,000
1989		23,843,000		(450,000)
1988		21,483,000		(969,000)
1987		20,214,000		(1,029,000)
1986		23,283,000		256,000

	No. of Com. Shares #		Earn. per Share #
1990	2,520,000	$	0.37
1989	2,461,000		—
1988	2,438,000		—
1987	2,415,000		—
1986	2,466,000		0.10

( ) Loss
Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1990	1989	1988	1987
Instruments & accessories	83%	82%	81%	80%
Precision optical components	17	18	19	20
Total	100%	100%	100%	100%

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	15,572,000	$	6.18
1989		14,733,000		5.99
1988		15,012,000		6.16
1987		15,704,000		6.50
1986		16,691,000		6.77

‡ Based on the weighted average number of common shares outstanding.

Income Account*
(000's)

Year ended June 30		1990		1989
Net sales	$	26,461	$	23,843
Cost of sales		15,477		15,089
Expenses		9,850		9,151
Interest income		(338)		(313)
Interest expense		175		228
Other expense		61		91
Inc. (loss) bef. taxes	$	1,236	$	(403)
Income taxes		301		47
Net Income (Loss)	$	935	$	(450)

* Included in Costs and Expenses, Depreciation and Amortization: $1,241,000 in 1990 and $1,260,000 in 1989.

Assets
(000's)

As of June 30		1990		1989
Cash & temp. cash invest.	$	4,389	$	1,133
Accts. receiv., net		5,835		5,918
*Inventories		5,861		6,227
Prepaid expenses		107		105
Current Assets	$	16,192	$	13,383
#Fixed assets		5,322		6,116
Other assets		624		782
Total Assets	$	22,138	$	20,281

Liabilities
(000's)

Long-term debt, curr.	$	333	$	507
Accts. payable		1,028		651
Cust. prog. pay		769		212
Accrued payroll		1,368		882
Other accruals		1,327		1,254
Income taxes payable		75		8
Curr. Liabilities	$	4,900	$	3,514
Long-term debt		1,404		2,004
Def. inc. taxes		186		—
Other deferred liab.		76		30
+Common stock		253		253
Add. paid-in capital		9,883		9,877
Retained earnings		5,601		4,666
Restric. stock award comp.		—		(63)
Treasury stock		165		—
Total Liabilities & Shareholders' Equity	$	22,138	$	20,281

* At lower of standard cost (which approx. actual cost on a FIFO basis) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales		4.67		—
%Net Income to Sales		3.53		—
%Net Income to Equity		6.00		—
Sales to Investories		4.51		3.83
Debt to Equity		0.11		0.17
Working Capital	$	11,292,000	$	9,869,000
Current Ratio		3.30		3.81
Shareholders' Equity	$	15,572,000	$	14,733,000

INDEX

PAGE

A. D. Data Systems Corporation (see Photographic Sciences Corporation) 314
AAI Corporation (see United Industrial Corporation) 417
AAP St. Marys Corporation (see Hitachi, Ltd.) 202
AAR Corp. 1
AB Aulis (see Ericsson) 144
A.B. Dick Company, USA (see The General Electric Company, p.l.c.) 169
ABB Asea Brown Boveri Ltd 2
Ablex Audio Video Limited (see Racal Electronics Plc) 324
Abscoa Industries, Inc. (see AAR Corp.) 1
Accusonic Systems Corporation (see Designatronics Incorporated) 110
Ace Electric Company, Inc. (see Echlin Inc.) 129
Acme Electric Corporation 4
Acme-Cleveland Corporation 3
Acustar, Inc. (see Chrysler Corporation) 73
ADAC Laboratories 4
Adams-Russell, Inc. (see M/A-COM, Inc.) 253
Adams-Russell, Inc. 5
Adaptive Data Systems, Inc. (see Western Digital Corporation) 435
ADC Europe Limited (see ADC Telecommunications, Inc.) 5
ADC Telecom Canada Inc. (see ADC Telecommunications, Inc.) 5
ADC Telecommunicaciones Venezuela, S.A. (see ADC Telecommunications, Inc.) 6
ADC Telecommunications, Inc. 5
ADDACON, Inc. (see Unitrode Corporation) 420
Addressograph-Multigraph Corporation (see AM International) 17
Adel Fasteners (see Imo Industries Inc.) 208
Adelantos de Tecnologia S.A. de C.V. (see SCI Systems, Inc.) 345
ADK Pressure Equipment Corporation (see Joslyn Corporation) 227
Advance Security (see Figgie International Inc.) 153
Advance Transformer Company (see North American Philips Corporation) 293
Advanced Cardiovascular Systems, Inc. (see Eli Lilly and Company) 140
Advanced Custom Molders, Inc. (see Washington Scientific Industries, Inc.) 430
Advanced Digital Systems, Inc. (see The Titan Corporation) 406
Advanced Mechanization, Inc. (see General Signal Corporation) 175
Advanced Metallurgy, Inc. (see Technitrol, Inc.) 385
Advanced Micro Devices, Inc. 6

PAGE

Advent Communications Technology, Inc. (80%-owned) (see California Microwave, Inc.) 69
AEL Industries, Inc. 7
Aero Corporation (see Whitehall Corporation) 440
Aero Service (Great Britain) (see Litton Industries, Inc.) 241
Aerochem, Inc. (see Ducommun Incorporated) 119
Aeroflex International, Inc. (see ARX Inc.) 38
Aeroflex Laboratories, Inc. (see ARX Inc.) 38
Aeroflex Systems Corp. (see ARX Inc.) 38
Aeronca, Inc. (see Fleet Aerospace Corporation) 156
Aeroproducts (see Imo Industries Inc.) 208
Aeroscientific Corporation (see Data-Design Laboratories) 103
Aerosonic Corporation 8
Aerostar International, Inc. (see Raven Industries, Inc.) 328
Aerotest Operations, Inc. (see OEA, Inc.) 299
AFA Protective Systems, Inc. 8
AHF-Ducommun Incorporated (see Ducommun Incorporated) 119
AIDA Corporation (see Teradyne, Inc.) 392
Air Cargo Equipment Corporation (see Zero Corporation) 448
Air Dry Corporation of America (see Joslyn Corporation) 228
Aircraft Technology, Inc. (see HEICO Corporation) 194
Airfoil (see Imo Industries Inc.) 208
Airfoil Textron (see Textron Inc.) 395
AirKaman of Jacksonville, Inc. (see Kaman Corporation) 228
Airpax Corporation (see North American Philips Corporation) 293
Airtron (see Litton Industries, Inc.) 241
Airwork Corporation (see UNC Incorporated) 415
Aiwa Co., Ltd. (see Sony Corporation) 363
A.J. Electronics, Inc. (see Data-Design Laboratories) 103
Akron Brass Co. (see Premier Industrial Corporation) 323
Akron Standard (see Illinois Tool Works Inc.) 207
Albert Marston & Company Limited (see Racal Electronics Plc) 324
Alcatel n.v. 9
Alcatel N.V. (30% interest) (see ITT Corporation) 224
Alcoswitch (see Augat Inc.) 43
Alden Electronics, Inc. 10
Alfa Costruzioni Mecchaniche SpA (see Figgie International Inc.) 154
Algorex Corporation 11
Allegheny International, Inc. (see Sunbeam-Oster Company, Inc.) 375
Allen Aircraft International, Inc. (see AAR Corp.) 1

INDEX

PAGE

The Allen Group, Inc. 11
Allen Organ Company 12
Allen-Bradley Company (see Rockwell International Corporation) 336
Allen-Bradley/TDK Magnetics (50%-owned) (see TDK Corporation) 383
Alliant Computer Systems Corporation 13
Allied Broadcast Equipment Corporation (see Harris Corporation) 190
Allied-Signal Inc. 13
Alloy Surfaces Company, Inc. (see MATEC Corporation) 259
ALLTEL Corporation 14
Alpha Industries, Inc. 15
ALTA Group, Inc. (see Dynatech Corporation) 124
Altair International, Inc. (see Augat Inc.) 43
Altec Lansing Corporation (see Mark IV Industries, Inc.) 256
Altos Computer Systems 16
Aluminum Extrusion (see Ketema, Inc.) 231
AM International 17
Amana Refrigeration, Inc. (see Raytheon Company) 330
Amdahl Corporation 18
Amecom (see Litton Industries, Inc.) 242
America Kotobuki Electronics Industries, Inc. (see Matsushita Electric Industrial Co., Ltd.) 260
American Electronic Laboratories, Inc. (see AEL Industries, Inc.) 7
American Fiber Optics, Inc. (see RMS International, Inc.) 335
American LaFrance (see Figgie International Inc.) 154
American Lightwave Systems, Inc. (see ADC Telecommunications, Inc.) 6
American Matsushita Electronics Corporation (see Matsushita Electric Industrial Co., Ltd.) 260
American Motors Corporation (see Chrysler Corporation) 73
American Overseas Marine Corporation (see General Dynamics Corporation) 167
American Precision Industries Inc. 19
American Science and Engineering, Inc. 20
American Stock Transfer and Trust Company (see KMS Industries, Inc.) 233
American Telephone & Telegraph Company 21
Amertool Services, Inc. (see Cincinnati Milacron Inc.) 75
Ametek, Inc. 22
Amitronics (see Video Display Corporation) 426
Ammco Tools, Inc. (see Danaher Corporation) 102
Amoco Corporation 23
AMP Incorporated/Pamcor, Inc. 24

PAGE

Amperex Electronic Corporation (see North American Philips Corporation) 293
Amprobe Instrument (see Core Industries Inc) 92
Anadrill (see Schlumberger Limited) 344
Analog Devices, Inc. 25
Analogic Corporation 26
Analytichem International, Inc. (see Varian Associates, Inc.) 423
Anaren Microwave, Inc. 27
Anchor Swan, Inc. (see Mark IV Industries, Inc.) 256
A & M Records, Inc. (see Philips' Gloeilampenfabrieken) 313
Andersen Group, Inc. 28
Ando Electric Company, Limited (see NEC Corporation) 287
Andover Medical Incorporated (see Medtronic, Inc.) 264
Andrea Radio Corporation 28
Andrew Corporation 29
Andrew Kintec Inc. (see Andrew Corporation) 29
Andrew SciComm GmbH (see Andrew Corporation) 30
Andrew SciComm Inc. (see Andrew Corporation) 29
Andrew VSAT Systems Inc. (see Andrew Corporation) 29
Anemostat Products (see Dynamics Corporation of America) 121
Angstrohm Precision, Inc. (see Vishay Intertechnology, Inc.) 427
Anilam Electronics Corporation (see Core Industries Inc) 92
Anixter Bros., Inc. (see Itel Corporation) 223
The Antenna Specialists Co. (see The Allen Group, Inc.) 11
Apertus Technologies, Incorporated 30
Apex Electronics, Inc. (see Video Display Corporation) 426
API Development Corporation (see American Precision Industries Inc.) 19
Apitech (see Applied Power Inc.) 33
Apollo Computer Inc. (see Hewlett-Packard Company) 198
Apple Computer, Inc. 31
Appleton Electric Company (see Emerson Electric Co.) 141
Applied Digital Data Systems, Inc. (see NCR Corporation) 286
Applied Magnetics Corporation 31
Applied Materials, Inc. 32
Applied Power Inc. 33
Applied Solar Energy Corporation 34
ARC International Corporation 35
ARC Limited (see Hanson Plc) 189
ARGOSystems, Inc. (see The Boeing Company) 61

INDEX

PAGE

Arlon Inc. (see Bairnco Corporation) 49
Armatron International, Inc. 36
Armin Corporation (see Tyco Laboratories, Inc.) 414
Aros, S.p.A. (see Olivetti) 302
Array Technology Corporation (see Tandem Computers Incorporated) 381
Arrow Electronics, Inc. 36
Artus S.A. (see Kollmorgen Corporation) 235
Arvin Industries, Inc. 37
ARX Inc. 38
Asahi Kogyo Co., Ltd. (see Hitachi, Ltd.) 202
ASI Electronics Corporation (see Astrex, Inc.) 39
Asinc, Inc. (see Dynatech Corporation) 124
Aspera S.r.l. (65%-owned) (see Whirlpool Corporation) 439
Assembly Automation Division (see Research, Incorporated) 334
Aston Technology, Ltd. (see General Automation, Inc.) 164
Astoria Industries, Inc. (see Raven Industries, Inc.) 329
Astrex, Inc. 39
Astro-Med, Inc. 40
Astronet Corporation (see Mitsubishi Electric Corporation) 276
Astrosystems, Inc. 41
AT&T Network Systems International B.V. (40%-owned) (see Philips' Gloeilampenfabrieken) 313
AT&T Technologies, Inc. (see American Telephone & Telegraph Company) 21
Atalla Corporation (see Tandem Computers Incorporated) 381
Atari Corporation 41
Atcor, Inc. (see Tyco Laboratories, Inc.) 414
Atex, Inc. (see Eastman Kodak Company) 127
ATI Industries, Inc. (see Snap-on Tools Corporation) 361
Atlantic Backplane Company (see Tyco Laboratories, Inc.) 414
Atlantic Research Corporation (see Sequa Corporation) 351
Atoma International Inc. (see Magna International, Inc.) 254
Audiotronics Corporation 42
Augat Inc. 43
Auric Corporation 44
Aurora Pump (see General Signal Corporation) 175
Aurora Systems Products (see Chyron Corporation) 74
Austron, Inc. (see Datum Inc.) 108
AutEx Systems (see Xerox Corporation) 445
Autocon Industries, Inc. (see Control Data Corporation) 89

PAGE

Automated Custom Systems Incorporated (see Milton Roy Company) 273
Automatic Coil Corp. (see Designatronics Incorporated) 110
"Automatic" Sprinkler Corp. of America (see Figgie International Inc.) 153
Automatic Switch Company (see Emerson Electric Co.) 141
Automatic Toll Systems, Inc. (see Cubic Corporation) 98
Automatix Incorporated 44
Automotive Controls Corp. (see Echlin Inc.) 129
Auto-trol Technology Corporation 45
Auxitrol S.A. (see Esterline Corporation) 146
Avantek, Inc. 46
Avcon Industries, Inc. (see Butler National Corporation) 67
Avdel plc (see Textron Inc.) 396
Avery-Denison Ltd. (see The General Electric Company, p.l.c.) 169
Avery-Hardoll Ltd. (see The General Electric Company, p.l.c.) 169
Avia Radio A/S (see AAR Corp.) 1
Avicom International, Inc. (see Lockheed Corporation) 247
Avnet, Inc. 46
AVX Corporation 47
Axel Electronics (see General Signal Corporation) 175
Aydin Corporation 48
Azonix Corporation (see Mark Controls Corporation) 255
B & L Plastics Co. (see Illinois Tool Works Inc.) 207
Babcock-Hitachi K.K. (see Hitachi, Ltd.) 202
Badger Meter, Inc. 49
Badger-Powhatan (see Figgie International Inc.) 153
Bainbridge Silencers Limited (see Arvin Industries, Inc.) 38
Bairnco Corporation 49
Baldwin Cooke Inc., U.S. (see Pitney Bowes Inc.) 317
Ball Corporation 50
Ballantyne of Omaha, Inc. (see ARC International Corporation) 35
Ball-InCon Glass Packaging Corp. (see Ball Corporation) 51
Bally Manufacturing Corporation 51
Baltea, S.p.A. (see Olivetti) 302
Balteadisk, S.p.A. (see Olivetti) 302
Bancomm Corporation (see Datum Inc.) 108
Banner Industries, Inc. 52
Bard Electro Medical Systems, Inc. (see Birtcher Medical Systems, Inc.) 59
Barksdale Controls (see Imo Industries Inc.) 208

INDEX

PAGE

Barnes Engineering Company (see EDO Corporation) 130
Barry Controls (see Applied Power Inc.) 33
Base Ten Systems, Inc. 53
Bassett Rotary Tool Company (see Federal Signal Corporation) 151
BBN Advanced Computers Inc. (see Bolt Beranek and Newman Inc.) 62
BBN Communications Division (see Bolt Beranek and Newman Inc.) 62
BBN Software Products Division (see Bolt Beranek and Newman Inc.) 62
BBN Systems and Technologies Division (see Bolt Beranek and Newman Inc.) 62
Beckman Industrial, Inc. (see Emerson Electric Co.) 141
Becton, Dickinson and Company 54
Beech Aircraft Corporation (see Raytheon Company) 331
Bel Fuse, Inc. 55
Beldray Limited (see KRUG International Corp.) 236
Belfort Instrument (see TransTechnology Corporation) 410
Bell Aerospace Textron (see Textron Inc.) 395
Bell Helicopter Textron, Inc. (see Textron Inc.) 395
Bell Industries, Inc. 56
Bell Microsensors, Inc. (see Daniel Industries, Inc.) 102
Bell Telephone Laboratories, Inc. (see American Telephone & Telegraph Company) 21
Belling Lee Intec Limited (see Bairnco Corporation) 49
Bell-Northern Research Ltd. (70% owned) (see Northern Telecom Limited) 296
Bentley Systems, Inc. (50% interest) (see Intergraph Corporation) 215
Bergen Cable Technologies, Inc. (see MATEC Corporation) 259
Beta Development Corporation (see The Titan Corporation) 406
Beta Phase, Inc. (19.4% owned) (see Molex Incorporated) 277
B.G. Labels Company (see Bishop Incorporated) 60
Bi-Coastal Corporation 57
Bikor Corporation (see Microsemi Corporation) 270
Bio-Medicus, Inc. (see Medtronic, Inc.) 265
Bioplex Corp. (see Datascope Corp.) 106
Bio-Rad Laboratories, Inc. 58
Biotec Technologie Biomediche, S.P.A. (see Medtronic, Inc.) 264
Birnbach Co., Inc. (see Milgray Electronics, Inc.) 272
Biro-France (see Bairnco Corporation) 49
Birtcher Medical Systems, Inc. 59
Bishop Incorporated 59

PAGE

Blackstone Manufacturing Company, Inc. (see Echlin Inc.) 129
BMC Industries, Inc. 60
BNR Inc. (see Northern Telecom Limited) 296
The Boeing Company 61
Bolt Beranek and Newman Inc. 62
Boonton Electronics Corporation 63
BostoMatic U.K., Ltd. (see Boston Digital Corporation) 63
Boston Digital Corporation 63
Boston Digital Corporation (21.2% owned) (see Gerber Scientific, Inc.) 180
Boston Gear (see Imo Industries Inc.) 208
Bowmar Instrument Corporation 64
Bradford Electronics, Inc. (see Vishay Intertechnology, Inc.) 427
Braintech, Inc. (see Nicolet Instrument Corporation) 292
Branson, Inc. (see Emerson Electric Co.) 141
Breeze Eastern (see TransTechnology Corporation) 410
Breeze Industrial Products (see TransTechnology Corporation) 410
Brightline Corporation (see Frequency Electronics, Inc.) 160
British Ever Ready Limited (see Hanson Plc) 188
Broadcast Microwave Services, Inc. (see Cohu, Inc.) 79
Brock Telecom Limited (see Northern Telecom Limited) 296
Brooks Technology (see Premier Industrial Corporation) 322
Brown & Root, Inc. (see Halliburton Company) 187
Brownell Electro (see Avnet, Inc.) 47
Bruning Computer Graphics (see AM International) 17
Bruning Hydraulics (see Parker Hannifin Corporation) 308
Brunswick Corporation 65
Buildex (see Illinois Tool Works Inc.) 207
Bulova Corporation 66
Bunker Ramo Corp. (see Olivetti) 303
Burton Electrical Engineering (see Wyle Laboratories) 444
Butler National Corporation 67
BWD Automotive Corporation (see Echlin Inc.) 129
BWD Automotive of Puerto Rico, Inc. (70%-owned) (see Echlin Inc.) 129
BWD International (see Echlin Inc.) 129
C. Bruno & Son, Inc. (see Kaman Corporation) 229
C. Plath (see Litton Industries, Inc.) 245
Cabletel Communications, Inc. (see ARC International Corporation) 35
CAC Microcircuits, Inc. (see Bel Fuse, Inc.) 55
Cactus Kasei Co., Ltd. (see Nippon Mining Company, Limited) 293

INDEX

PAGE

CADAM, Inc. (see Lockheed Corporation) 246
Cadillac Electric (see Premier Industrial Corporation) 322
Cadillac Gage Textron (see Textron Inc.) 395
CAE Industries Ltd. 67
Calcomp (see Lockheed Corporation) 246
California Drop Forge (see Fansteel Inc.) 150
California Microwave, Inc. 68
California Research & Technology, Inc. (see The Titan Corporation) 406
Caloric Corporation (see Raytheon Company) 331
Calspan Corporation (see Arvin Industries, Inc.) 38
Cambridge Computer, Ltd. (96%-owned) (see SCI Systems, Inc.) 345
Cambridge Robotic Systems, Inc. (see Gerber Scientific, Inc.) 180
Camcar (see Textron Inc.) 396
Camloc Products (see Fairchild Industries, Inc.) 149
Camtec Electronics Ltd. (see Ericsson) 144
Camtronics, Ltd. (see Analogic Corporation) 27
Canadian Bronze Company Limited (see CAE Industries Ltd.) 68
Canadian Marconi Company 69
Canadian Marconi Company (51.6% Ordinary) (see The General Electric Company, p.l.c.) 169
Canon Aptex Inc. (see Canon, Inc.) 70
Canon, Inc. 70
Canon Industries Ltd. (see The General Electric Company, p.l.c.) 170
Canrad (see ARC International Corporation) 35
Capitol-EMI Music Inc. (USA) (see THORN EMI plc) 402
Capstone Electronics Corp. (see Arrow Electronics, Inc.) 37
Carco Electronics 71
Cardiac Pacemakers, Inc. (see Eli Lilly and Company) 140
Carfield Ltd. (T/A Bel Fuse) (see Bel Fuse, Inc.) 55
Car-lac Electronics (see Premier Industrial Corporation) 322
Carol Cable Company, Inc. (see The Penn Central Corporation) 310
Carolina Global, Inc. (see Hathaway Corporation) 191
Carrier Corporation (see United Technologies Corporation) 418
Carroll Touch, Inc. (see AMP Incorporated/Pamcor, Inc.) 24
Carsonite (see Ametek, Inc.) 22
Carter Controls Canada Ltd. (see Figgie International Inc.) 154
Casco Products Corporation (see Sequa Corporation) 351
CASE Technology Inc. (see Teradyne, Inc.) 392

PAGE

CASI-RUSCO (see Figgie International Inc.) 154
Catel Telecommunications, Inc. (see Data-Design Laboratories) 103
CBS/Sony Group Inc. (see Sony Corporation) 363
C.E. Marshall (Wolverhampton) Limited (see Racal Electronics Plc) 324
CEC Instruments (see Imo Industries Inc.) 208
Cedarapids, Inc. (see Raytheon Company) 331
Cellular System Management, Inc. (see Andersen Group, Inc.) 28
Center Line (see Mark Controls Corporation) 255
CenterCore, Inc. (63%-owned) (see Safeguard Scientifics, Inc.) 340
Central Coil Company, Inc. (see Bel Fuse, Inc.) 55
Central Microwave Company (see Alpha Industries, Inc.) 15
Central Moloney Transformer (see Colt Industries Inc) 80
Centrimarc (see Imo Industries Inc.) 208
Cepco (see Wickes Companies, Inc.) 441
Certanium Alloys and Research (see Premier Industrial Corporation) 322
Cessna Aircraft Company (see General Dynamics Corporation) 167
Chace Precision Metals, Inc. (see Technitrol, Inc.) 385
Chandler Evans Control Systems (see Colt Industries Inc) 80
Channel Master (see Avnet, Inc.) 47
Chase Corporation 72
Chemgene France S.A. (see Raychem Corporation) 329
Chemical Dynamics Incorporated (see UNC Incorporated) 415
Cherokee International, Inc. (see Core Industries Inc) 92
Cherry (see Textron Inc.) 396
Cheshire (see The General Electric Company, p.l.c.) 169
Cheswick International (see Arvin Industries, Inc.) 38
Chita Oil Co., Ltd. (see Nippon Mining Company, Limited) 292
Chroma Video, Inc. (see Video Display Corporation) 426
Chromalloy Gas Turbine Corporation (see Sequa Corporation) 351
Chronomatic (see Illinois Tool Works Inc.) 207
Chrysler Corporation 73
Chubb Alarms Limited (see Racal Electronics Plc) 324
Chyron Corporation 74
Ciesse Control System, S.p.A. (see Olivetti) 302
Cincinnati Electronics Corporation (see Canadian Marconi Company) 70
Cincinnati Electronics Corporation, USA (see The General Electric Company, p.l.c.) 169
Cincinnati Milacron Inc. 75

INDEX

PAGE

Ciprico Inc. 76
Circuit Image Industries, Inc. (see Hadco Corporation) 186
Circuit Technology Inc., USA (see The General Electric Company, p.l.c.) 169
Circuiti Stampati Italia, S.p.A. (see Olivetti) 302
City National Bank (see HCC Industries) 192
Clarke Container Co. (see Mark IV Industries, Inc.) 256
Clary Corporation 76
The Cleveland Twist Drill Company (see Acme-Cleveland Corporation) 3
Clifton Precision (see Litton Industries, Inc.) 242
Closetech International (see Figgie International Inc.) 153
CLS Laser Systems (see Litton Industries, Inc.) 243
CMC Electronics, Inc. (see Canadian Marconi Company) 69
CMX Products (see Chyron Corporation) 74
CNR Research Inc. (50% interest) (see Intergraph Corporation) 215
Coded Communications Network Systems, Inc. (see Decom Systems, Inc.) 109
Codex Corporation (see Motorola, Inc.) 280
Coge AG (Switzerland) (see Cincinnati Milacron Inc.) 75
Cognitronics Corporation 77
Coherent Communications Systems Corporation (99% owned) (see Safeguard Scientifics, Inc.) 340
Coherent General, Inc. (see Coherent, Inc.) 78
Coherent, Inc. 78
Cohesive Network Corporation (see Digital Communications Associates, Inc.) 115
Cohu, Inc. 79
Colgan Communications, Inc. (see Graphic Scanning Corp.) 182
Colight (see ARC International Corporation) 35
Colorado Data Systems, Inc. (see Tektronix, Inc.) 388
Colt Automotive Products (see Colt Industries Inc) 80
Colt Industries Inc 79
Columbia Pictures Entertainment, Inc. (see Sony Corporation) 363
COMARCO, Inc. 81
Combustion Engineering (see ABB Asea Brown Boveri Ltd) 2
ComCoTec, Inc. (see Dynatech Corporation) 124
Command Systems Division (see Instrument Systems Corporation) 213
Commercial Products Division (see Bishop Incorporated) 60
Commodore International Limited 82
Commodore-Amiga, Inc. (see Commodore International Limited) 82

PAGE

Communication Machinery Corporation (see Rockwell International Corporation) 337
Communications Satellite Corporation 83
Communications Technology Corporation (see Acme-Cleveland Corporation) 3
Compagnie des Dispositifs Semiconducteurs (see Westinghouse Electric Corporation) 437
Compaq Computer Corporation 84
Comp-Fast, Inc. (see Bell Industries, Inc.) 56
CompuCom Systems, Inc. (67%-owned) (see Safeguard Scientifics, Inc.) 340
Compumech Electronics, Inc. (see Pioneer-Standard Electronics, Inc.) 316
Compumotor Corporation (see Parker Hannifin Corporation) 308
Computer Automation, Inc. 84
Computer Circuitry Group, Inc. (see Insilco Corporation) 211
Computer Communications, Inc. 85
Computer Design & Applications, Inc. (see Analogic Corporation) 26
Computer Dispatch Systems (see Gandalf Technologies Inc.) 162
Computer Optical Products, Inc. (see Hathaway Corporation) 191
Computer Power Systems, Inc. (see Emerson Electric Co.) 141
Computer Products, Inc. 86
Computer Sciences Corporation 86
Computerized Medical Systems, Inc. (see Dynatech Corporation) 124
COMSAT General Corporation (see Communications Satellite Corporation) 83
COMSAT Laboratories (see Communications Satellite Corporation) 83
COMSAT Video Enterprises, Inc. (see Communications Satellite Corporation) 83
Comtech Telecommunications Corp. 87
Conner Peripherals Europe, S.p.A (see Olivetti) 302
Conner Peripherals, Inc. 88
Conoco Inc. (see E.I. du Pont de Nemours & Company) 120
Consolidated Computer International, Inc. (see Recognition Equipment Incorporated) 332
Consolidated Converting Company (see Cubic Corporation) 98
Consolidated Packaging Machinery (see Figgie International Inc.) 154
Context Corporation (see Mentor Graphics Corporation) 266
Continental Electronics Corporation (see Tech-Sym Corporation) 387

INDEX

	PAGE
Continental Hydraulic Hose Corp. (see Echlin Inc.)	129
Continental Instruments Corporation (see Sensormatic Electronics Corporation)	350
Contour Design Systems, Inc. (see Mentor Graphics Corporation)	266
Control Data Corporation	89
Control Laser International Corporation (see Quantronix Corporation)	323
Control Techniques plc	89
Controlex (see Imo Industries Inc.)	208
Controls Division (see Research, Incorporated)	334
Contura (see Imo Industries Inc.)	208
Convergence Corporation (see EECO Incorporated)	131
Convergent, Inc. (see Unisys Corporation)	416
Cook-Waite Laboratories, Inc. (see Eastman Kodak Company)	127
Cooper Industries, Inc.	90
Copeland Corporation (see Emerson Electric Co.)	141
Copyer Co., Ltd. (see Canon, Inc.)	70
Corcom, Inc.	91
Core Industries Inc	92
Core Laboratories, Inc. (see Litton Industries, Inc.)	242
Corning Incorporated	93
Corning International Corporation (see Corning Incorporated)	93
Corporate Parts Center (see Hewlett-Packard Company)	198
Cosma International Inc. (see Magna International, Inc.)	254
Cossor Electronics Limited (see Raytheon Company)	331
CPT Corporation	94
Cranfield Precision Systems Ltd. (see Control Techniques plc)	90
Cray Research, Inc.	95
Cristalleria Aristica La Piana S.p.A. (23% owned) (see Corning Incorporated)	93
Crosfield Electronics Ltd. (see E.I. du Pont de Nemours & Company)	120
Cross & Trecker Corporation	96
Cross Systems, Inc. (see AEL Industries, Inc.)	7
Cryptek Secure Communications Division (see General Kinetics Incorporated)	172
Crystek Crystals Corporation (see Whitehall Corporation)	440
C-T Engineering (see Premier Industrial Corporation)	322
CTS Corporation	96
CTS U.K. Ltd. (see CTS Corporation)	97
Cubic Corporation	97
Curtiss-Wright Corporation	98
Cushman Electronics, Inc.	99
Custom Technologies (see Fansteel Inc.)	150
CWC Castings (see Textron Inc.)	396
CXR Corporation	100
Cybermation Ltd. (see Dynatech Corporation)	124
DAC Software, Inc. (see Insilco Corporation)	211
Daedalus Enterprises, Inc.	101
Daini-Denden Inc. (see Kyocera Corporation)	239
Dale Electronics, Inc. (see Vishay Intertechnology, Inc.)	427
Dalmo Victor (see General Instrument Corporation)	171
Dama Technologies Corp. (see Data General Corporation)	104
Danaher Corporation	101
Daniel Industries, Inc.	102
Data General Corporation	104
Data Images, Inc. (see Litton Industries, Inc.)	242
Data Logic Ltd. (see Raytheon Company)	331
Datacom Systems Corporation (see Lockheed Corporation)	246
Data-Design Laboratories	103
Datagen, Inc. (see Data General Corporation)	104
Datamaxx USA Corporation (see Zentec Corporation)	447
Datapoint Corporation	105
Dataram Corporation	106
Datascope Corp.	106
Datasouth Computer Corporation	107
Datatape Incorporated (see Eastman Kodak Company)	127
Dating, S.p.A. (see Olivetti)	303
Datron Instruments, Ltd. (see Wavetek)	432
Datum Inc.	108
Davidson Instrument Panel Textron (see Textron Inc.)	396
Dayco Products (see Mark IV Industries, Inc.)	256
Dayron Corporation (see Insilco Corporation)	211
Dayton Progress Corporation (see Federal Signal Corporation)	151
DAZIX (see Intergraph Corporation)	215
DBA Systems, Inc.	108
The d-Con Company, Inc. (see Eastman Kodak Company)	127
DDA (see Mark IV Industries, Inc.)	256
DDL Electronics Ltd. (see Data-Design Laboratories)	103
de Havilland Aircraft of Canada, Ltd. (see The Boeing Company)	61
Decca Radio and Television Limited (see Racal Electronics Plc)	324
Decolletage S.A. St.-Maurice (see AMP Incorporated/Pamcor, Inc.)	24
Decom Systems, Inc.	109

INDEX

PAGE

Decoma International Inc. (see Magna International, Inc.) 254
Del Electronics Corp. 110
Delaval Condenser (see Imo Industries Inc.) 208
Delaval Turbine (see Imo Industries Inc.) 208
Delavan Gas Turbine Products (see Colt Industries Inc) 80
Delavan Limited (see Colt Industries Inc) 80
Delco Electronics (see General Motors Corporation) 173
Delroyd Worm Gear (see Imo Industries Inc.) 208
Delta Medical Industries (see Healthdyne, Inc.) 193
Delta-Unibus Corporation (see Powell Industries, Inc.) 321
Deltex Service (see Imo Industries Inc.) 208
Deming Electronics (see Sparton Corporation) 364
Descartes Automation Systems, Inc. (see Mentor Graphics Corporation) 266
Deseret Medical (see Becton, Dickinson and Company) 54
Design Data, Inc. (see Data General Corporation) 104
Design Engineering Laboratories (see Rockwell International Corporation) 336
Designatronics Incorporated 110
Detection Systems, Inc. 111
Detroit Stoker Company (see United Industrial Corporation) 417
Developmental Sciences Corp. (see The General Electric Company, p.l.c.) 170
The Dewey Electronics Corporation 112
DeZurik (see General Signal Corporation) 175
Diablo Systems, Inc. (see Xerox Corporation) 445
Diagnostic/Retrieval Systems, Inc. 112
Diamond Vision, Inc. (see Mitsubishi Electric Corporation) 276
Di-An Controls, Inc. 113
Diaspronsud, S.p.A. (see Olivetti) 302
Dictaphone Corporation, U.S. (see Pitney Bowes Inc.) 317
Diebold, Incorporated 114
Dielectric Communications (see General Signal Corporation) 175
Dielectric Polymers, Inc. (see Park Electrochemical Corp.) 307
Digicom, Inc. (see Data General Corporation) 104
Digilog Inc. (see CXR Corporation) 100
Digiphonic Systems Pte. Ltd. (see Oki Electric Industry Company, Limited) 301
Digital Audio Disc Corporation (see Sony Corporation) 363
Digital Communications Associates, Inc. 114
Digital Computer Controls, Inc. (see Data General Corporation) 104

PAGE

Digital Equipment Corporation 115
Digital Mobile Communications, Ltd. (see Graphic Scanning Corp.) 182
Digital Paging Systems, Inc. (see Graphic Scanning Corp.) 182
Digital Services Products (see Chyron Corporation) 74
Digital Technology, Inc. (see Dynatech Corporation) 124
Digital Video Systems Corp. (see Scientific-Atlanta, Inc.) 346
Dillon (see WEIGH-TRONIX, Inc.) 433
Dimetrics, Inc. (see Talley Industries, Inc.) 380
Diodes Incorporated 116
Dionics, Inc. 117
Discom, Inc. (see TDK Corporation) 383
Displex, Inc. (see North Hills Electronics, Inc.) 295
Distex Ind. Inc. (see Echlin Inc.) 129
D-M-E Company (see Fairchild Industries, Inc.) 149
Documation Incorporated (see Storage Technology Corporation) 370
Dorothy Gray, Ltd. (see Eastman Kodak Company) 127
Dosapro-Milton Roy (UK) Ltd. (see Milton Roy Company) 273
Douglas Aircraft Company (see McDonnell Douglas Corporation) 261
Dow Corning Corporation (50% owned) (see Corning Incorporated) 93
DowElanco (40%-owned) (see Eli Lilly and Company) 140
Dowell Schlumberger (50% owned) (see Schlumberger Limited) 344
Doylestown Manufacturing Corporation (see Thomas & Betts Corporation) 401
Dracon (see Harris Corporation) 190
Draloric Electronic GmbH (see Vishay Intertechnology, Inc.) 427
Drexler Technology Corporation 118
Driver Southall Ltd. (see The General Electric Company, p.l.c.) 169
Drytek (see General Signal Corporation) 175
DSC Communications Corporation 118
Dual-Lite Inc. (see Insilco Corporation) 211
Dubner Computer Systems, Inc. (see Tektronix, Inc.) 388
Ducommun Incorporated 119
Duewag Aktiengesellschaft (see Siemens AG) 356
Durel Corporation (see Rogers Corporation) 338
Dynacord Electronic & Geratebau GmbH & Co. KG (see Mark IV Industries, Inc.) 256
Dynalco Controls Corporation (see Mark Controls Corporation) 255
Dynamics Corporation of America 121
Dynamics Research Corporation 122

INDEX

PAGE

Dynascan Corporation 123
Dynatech ColorGraphics Systems, Inc. (see Dynatech Corporation) 124
Dynatech Corporation 124
Dynatech Utah Scientific, Inc. (see Dynatech Corporation) 124
DynaTenn Inc. dba DynaVac (see Tenney Engineering, Inc.) 391
E.& M. Lamort S.A. (see Thermo Electron Corporation) 398
EAC Industries, Inc. 125
Eagle Signal Controls (see Mark IV Industries, Inc.) 256
Eagle-Picher Industries, Inc. 126
Easams Ltd. (see The General Electric Company, p.l.c.) 169
Eastman Kodak Company 127
Eastport International (see Ametek, Inc.) 22
Eaton Corporation 128
Echlin Inc. 129
EDO Corporation 130
Edwards (see General Signal Corporation) 175
E.E. Electronic Components, Inc. (see Napco Security Systems, Inc.) 282
EECO Incorporated 131
EFData Corporation (see California Microwave, Inc.) 69
EG&G Frequency Products (see EG&G, Inc.) 133
EG&G, Inc. 132
EG&G Power Systems CEA Operations (see EG&G, Inc.) 132
EG&G Reynolds Electrical & Engineering Co., Inc. (see EG&G, Inc.) 133
E.I. du Pont de Nemours & Company 120
EIP Microwave, Inc. 134
Elasco Power Supply (see Keltron Corporation) 230
Eldec Corporation 134
Elea, S.p.A. (see Olivetti) 302
Electrical Installations Ltd. (see Raytheon Company) 331
Electrical Specialty Products (see Square D Company) 367
Electro Finition Inc. (see EAC Industries, Inc.) 125
Electrocanones de Mexico (see Video Display Corporation) 426
Electrodynamics, Inc. (see Talley Industries, Inc.) 380
Electrohome Limited 135
Electromagnetic Sciences, Inc. 136
ElectroMechanics (see Applied Power Inc.) 33
Electro-Metrics Division (see Penril Corp.) 310
Electronic Associates, Inc. 136
Electronic Control Systems, Inc. 137
Electronic Data Systems Corporation 138

PAGE

Electronic Data Systems Corporation (see General Motors Corporation) 174
Electronic Enclosure Division (see General Kinetics Incorporated) 172
Electronic Supply Corporation (see GTI Corporation) 185
Electronica SpA (49% interest) (see The Plessey Company plc) 318
Electronics Corporation of America (see Rockwell International Corporation) 336
Electronics, Missiles & Communications, Inc. 139
Electropage, Inc. (see Graphic Scanning Corp.) 182
Electro-Voice (see Mark IV Industries, Inc.) 256
Eleprint, S.p.A. (see Olivetti) 302
Elfab Inc. (see Augat Inc.) 43
Elgin Sweeper Company (see Federal Signal Corporation) 151
Eli Lilly and Company 139
ELLEMTEL Utvecklings AB (see Ericsson) 144
Ellis and Watts (see Dynamics Corporation of America) 121
Elsin Corporation (see Whittaker Corporation) 441
Elyon Electronics, Ltd. (98% owned) (see MSI Electronics, Inc.) 281
Emerald Technology Inc. (see Andrew Corporation) 29
Emerson Electric Co. 140
Emerson Radio Corp. 142
EMI Entertainment World, Inc. (see THORN EMI plc) 402
EMI Music Publishing Ltd. (see THORN EMI plc) 402
EMI Records Ltd. (see THORN EMI plc) 402
Empire Video, Inc. (see Video Display Corporation) 426
Emscope Laboratories Limited (see Bio-Rad Laboratories, Inc.) 58
Energetic Systems, Inc. (see Wells-Gardner Electronics Corporation) 434
Energy Conversion Devices, Inc. 143
Enerpac (see Applied Power Inc.) 33
Engineered Systems, Inc. (see Square D Company) 367
The English Electric Company of India Ltd. (66.7% Ordinary) (see The General Electric Company, p.l.c.) 170
The English Electric Company of India Ltd. (66.7% Ordinary) (see The General Electric Company, p.l.c.) 169
English Electric Valve Co. Ltd. (see The General Electric Company, p.l.c.) 169
Enseco Incorporated (see Corning Incorporated) 93
Ensite Limited (see Ford Motor Company) 157
Enterprise Electronics Corporation (see Tech-Sym Corporation) 387

INDEX

PAGE

Environmental Testing Company of Aurora (see Milton Roy Company) 273
E-P Data AB (see Ericsson) 144
EPN Sistemas (see Imo Industries Inc.) 208
Equipment Electrique Square D Canada Inc. (see Square D Company) 367
Equipment Sales Company, Inc. (see Esterline Corporation) 145
Ericsson 143
Erisoft AB (see Ericsson) 144
Escast (see Fansteel Inc.) 150
E-Sil Components Ltd. (see Vishay Intertechnology, Inc.) 427
ESL Incorporated (see TRW Inc.) 413
Espey Mfg. & Electronics Corp. 145
Esterline Corporation 145
E-Systems, Inc. 146
ET, Inc. (see OEA, Inc.) 299
EuraContact (see Thomas & Betts Corporation) 401
Eureka X-Ray Tube (see Litton Industries, Inc.) 243
Evans & Sutherland Computer Corporation 147
Excel Products Company (see Thomas & Betts Corporation) 401
The Express Lift Co. Ltd. (see The General Electric Company, p.l.c.) 170
Extek Microsystems, Inc. 148
E-Z-Go (see Textron Inc.) 396
Fab Steel Supply, Inc. (see Bell Industries, Inc.) 56
The Factory Power Company (see Cincinnati Milacron Inc.) 75
Fairbanks Morse Engine (see Colt Industries Inc) 80
Fairchild Industries, Inc. 149
Fairchild Industries, Inc. (see Banner Industries, Inc.) 52
The Falk Corporation (see Sundstrand Corporation) 376
Fansteel Inc. 150
Faraday Electronics, Inc. (see Western Digital Corporation) 435
Farinon (see Harris Corporation) 190
Farnam Sealing Systems (see Colt Industries Inc) 80
Fastex (see Illinois Tool Works Inc.) 207
FCD (see Mark IV Industries, Inc.) 256
Federal Gauges, Ltd. (see Esterline Corporation) 146
Federal Laboratories (see TransTechnology Corporation) 410
Federal Products Corporation (see Esterline Corporation) 146
Federal Signal Corporation 151
Federated Purchaser, Inc. 152
FEI Microwave, Inc. (see Frequency Electronics, Inc.) 160
Femco (see Mark IV Industries, Inc.) 256

PAGE

Fermont (see Dynamics Corporation of America) 121
Ferranti Semiconductors (see The Plessey Company plc) 318
FGP Corporation (see Philips' Gloeilampenfabrieken) 313
FiberCote Industries, Inc. (see Park Electrochemical Corp.) 307
Fidelity Chemical Products Corporation (see Auric Corporation) 44
Fifth Dimension Inc. 152
Figgie International Inc. 153
Filtron Co., Inc. (see ARX Inc.) 39
Fincor Electronics (see Imo Industries Inc.) 208
Fischer & Porter Company 155
Fisher Pierce (see Pacific Scientific Company) 305
Fixlock A.B. (see Illinois Tool Works Inc.) 207
Flakt AB (see ABB Asea Brown Boveri Ltd) 2
Fleet Aerospace Corporation 156
Flexible Automation Systems Pte. Ltd. (65.0% owned) (see Molex Incorporated) 277
FlexStar, Inc. (see Core Industries Inc) 92
FlowSeal (see Mark Controls Corporation) 255
Food Technology Corporation (see General Kinetics Incorporated) 172
Ford Motor Company 157
Forte Communications, Inc. (see Digital Communications Associates, Inc.) 115
Fox International, Ltd., Inc. (see Video Display Corporation) 426
Fox Research, Inc. (see Digital Communications Associates, Inc.) 115
The Foxboro Company 158
F-P Electronics (see Mark IV Industries, Inc.) 256
France Compressor Products (see Colt Industries Inc) 80
Franklin Electric Co., Inc. 159
Freeman Products, Inc. (see Avnet, Inc.) 47
Frequency and Time Systems, Inc. (see Datum Inc.) 108
Frequency Electronics, Inc. 160
Friction Inc. (see Echlin Inc.) 129
Friction Materials, Inc. (see Echlin Inc.) 129
Friction,Inc. (see Echlin Inc.) 129
FRL, Incorporated (see Cohu, Inc.) 79
Fuji Electrochemical Co., Ltd. (see Fujitsu Limited) 161
Fuji Xerox Co., Ltd. (50% owned) (see Xerox Corporation) 445
Fujitsu Limited 161
Furman Selz Holding Corporation (see Xerox Corporation) 445
Fusibles Westinghouse de Puerto Rico, Inc. (see Westinghouse Electric Corporation) 437

INDEX

PAGE

The G&O Manufacturing Company (see The Allen Group, Inc.) 11
Gamma-f Corporation (see Electromagnetic Sciences, Inc.) 136
Gandalf Technologies Inc. 162
GAP Instrument Corp. 163
Gardner Bender, Inc. (see Applied Power Inc.) 34
Garlock of Canada Ltd. (see Colt Industries Inc) 80
Garlock Special Products (see Colt Industries Inc) 80
Garry Screw Machine Corporation (see AMP Incorporated/Pamcor, Inc.) 24
Gauss & Electro Sound (see Mark IV Industries, Inc.) 256
GB Electrical, Inc. (see Applied Power Inc.) 33
GBC Hi Tech (India) S.p.A. (see General Binding Corporation) 165
GEC Avionics Inc., USA (see The General Electric Company, p.l.c.) 169
GEC Avionics Ltd. - The Marconi Company Ltd. (see The General Electric Company, p.l.c.) 169
GEC Plessey Telecommunications Holdings Ltd. (see The Plessey Company plc) 318
GEC-General Signal Ltd. (50% Ordinary) (see The General Electric Company, p.l.c.) 170
GECO (see Schlumberger Limited) 344
GEC-Xpelair Ltd. (see The General Electric Company, p.l.c.) 170
GEKA, S.A. (see Vishay Intertechnology, Inc.) 427
Gems Sensors (see Imo Industries Inc.) 208
GenCorp Inc. 163
General Automation, Inc. 164
General Binding Corporation 165
General Cable Company (see The Penn Central Corporation) 309
General DataComm Industries, Inc. 166
General Dynamics Corporation 167
General Electric Company 168
The General Electric Company, p.l.c. 169
General Instrument Corporation 171
General Kinetics Incorporated 172
General Microcircuits Corp. (80% owned) (see General Microwave Corporation) 172
General Microwave Corporation 172
General Motors Corporation 173
General Semiconductor Ireland Ltd. (see Square D Company) 367
General Signal Corporation 174
GENE-TRAK Systems (50%-owned) (see Amoco Corporation) 23
Genicom Corporation 176
Genisco Technology Corporation 177
GenRad, Inc. 177

PAGE

Geo. J. Meyer Manufacturing (see Figgie International Inc.) 154
George Risk Industries, Inc. 178
Geotel, Inc. 179
Gerber Scientific, Inc. 180
Gessner/Howard/Miller (see TransTechnology Corporation) 410
G.H. Besselaar Associates (see Corning Incorporated) 93
Glar-Ban (see Mark IV Industries, Inc.) 256
Glasseal Products, Inc. (see HCC Industries) 192
Glasstite, Inc. (see Raven Industries, Inc.) 329
Gleason Corporation 181
The Gleason Works (see Gleason Corporation) 181
Glenayre Electronics Ltd. (see Kustom Electronics, Inc.) 238
Global Engineering (see ABB Asea Brown Boveri Ltd) 2
Global Software, Inc. (see Hathaway Corporation) 191
Gloekler Refrigerator Company (see Tenney Engineering, Inc.) 391
Glowtronic Pvt., Ltd. (see Video Display Corporation) 426
G.M. Hughes Electronics Corporation (see General Motors Corporation) 174
Goldstar Telecommunications Co. Ltd. (see Siemens AG) 356
Goodren Products Corporation (see EAC Industries, Inc.) 125
Gould Inc. (see Nippon Mining Company, Limited) 293
Gould Inc. 181
Grafcon Corporation (see AM International) 17
Grand Rapids Die Casting Corp. (see Park Electrochemical Corp.) 307
Graphic Instruments (see Mark IV Industries, Inc.) 256
Graphic Research, Inc. (see Methode Electronics, Inc.) 267
Graphic Scanning Corp. 182
Grason-Stadler Inc. (see Lucas Industries plc) 252
The Grass Valley Group, Inc. (see Tektronix, Inc.) 388
Grau Girling Limited (see Echlin Inc.) 129
Great Lakes-Eglinton (see Core Industries Inc) 92
Greenlee Textron (see Textron Inc.) 395
Greer Hydraulics (see Figgie International Inc.) 154
GRiD Systems Corporation (see Tandy Corporation) 382
Griftronic Emission, Ltd. (see Video Display Corporation) 426
Grinnell Corporation (see Tyco Laboratories, Inc.) 414
Grove Worldwide Company (see Hanson Plc) 189
Grumman Corporation 183
GS Electric (see General Signal Corporation) 175
GSE, Inc. (see Core Industries Inc) 92

INDEX

PAGE

GTE Corporation 184
GTI Corporation 185
G2 Incorporated (see LSI Logic Corporation) 250
Guardian Products/Capital Wire (see The Penn Central Corporation) 309
Gull Inc. (see Parker Hannifin Corporation) 308
Gulton Data Systems (see Mark IV Industries, Inc.) 256
Gyyr (see Odetics, Inc.) 299
Hackett Precision Company (see Gleason Corporation) 181
Hadco Corporation 186
Halliburton Company 187
Hamilton/ Avnet Electronics (see Avnet, Inc.) 46
Hamilton Digital Controls, Inc. 188
Hamilton Insurance Company (see Figgie International Inc.) 154
Hamilton Standard (see United Technologies Corporation) 418
Hamilton Technology, Inc. (see Bulova Corporation) 66
Hanovia Lamp, Inc. (see ARC International Corporation) 35
Hanson Plc 188
Haper S.I.D. (see Avnet, Inc.) 46
Harco (see Fairchild Industries, Inc.) 149
Harper-Wyman Company (see Oak Industries Inc.) 298
Harris Corporation 190
Harris Data Services Corporation (see Harris Corporation) 191
Hartman Electrical Manufacturing (see Figgie International Inc.) 153
Hartridge Equipment Corporation (see Lucas Industries plc) 252
Hasegawa Electric Co., Ltd. (see Fujitsu Limited) 161
Hathaway Corporation 191
Haveg (see Ametek, Inc.) 22
Hazeltine Corporation (see Emerson Electric Co.) 141
Hazleton Laboratories Corporation (see Corning Incorporated) 93
HCC Industries 192
Healthdyne, Inc. 193
HEI Inc. 194
HEICO Corporation 194
Heim Bearings (see Imo Industries Inc.) 208
Henry Ford & Son, Limited (see Ford Motor Company) 157
Henschel (see General Signal Corporation) 175
Hercules Incorporated 195
Hermetic Seal Corporation (see HCC Industries) 192
Hevi-Duty Electric (see General Signal Corporation) 175
Hewlett-Packard Company 196
H.H. Scott, Inc. (see Emerson Radio Corp.) 142

PAGE

HIAC/Royco Division (see Pacific Scientific Company) 305
The Hickok Electrical Instrument Company 199
High Voltage Breakers, Inc. (see Hitachi, Ltd.) 202
Hilton Industries, Inc. (see Core Industries Inc) 92
Hinditron Tektronix Instruments Ltd. (joint venture) (see Tektronix, Inc.) 388
Hipotronics, Inc. 200
Hi-Shear Industries Inc. 200
Hitachi, Ltd. 201
Hiwada Electronic Corporation (see Pioneer Electronic Corporation) 315
HK Microwave, Inc. (see Dynatech Corporation) 124
HMT Technology Corporation (see Hitachi, Ltd.) 202
HNSX Supercomputers Inc. (see NEC Corporation) 287
Hoffman Products (see Premier Industrial Corporation) 322
Holcroft (see Thermo Electron Corporation) 398
Holley Automotive (see Colt Industries Inc) 80
Hollis Automation, Inc. (see Esterline Corporation) 145
Holmberg Electronics Corporation (see Thomas & Betts Corporation) 401
Holo-Krome/Allen Manufacturing (see Danaher Corporation) 101
Holston Defense Corp. (see Eastman Kodak Company) 127
Home Nutritional Services, Inc. (67% owned) (see Healthdyne, Inc.) 193
Homelite (see Textron Inc.) 396
Honeywell Inc. 202
Honjo TDK Co., Ltd. (see TDK Corporation) 383
Horizon Research, Inc. (see Mitsubishi Electric Corporation) 276
Hotpoint Ltd. (see The General Electric Company, p.l.c.) 170
HR Textron Inc. (see Textron Inc.) 395
HRB Systems, Inc. (see E-Systems, Inc.) 147
HSC Fasteners Europe Ltd. (see Hi-Shear Industries Inc.) 201
Hua-mei International Glass Engineering Company Ltd. (see Corning Incorporated) 93
Hubbell Canada, Inc. (see Hubbell, Incorporated) 204
Hubbell Hermetic Refrigeration, Inc. (see Hubbell, Incorporated) 204
Hubbell, Incorporated 203
Hubbell Industrial Controls, Inc. (see Hubbell, Incorporated) 204
Hubbell Plastics, Inc. (see Hubbell, Incorporated) 204
Huber Essick (see Figgie International Inc.) 154
Hughes Supply, Inc. 205
Humphrey, Inc. 205
Hurst, Inc. (see Emerson Electric Co.) 141

INDEX

PAGE

Huxley Envelope Corp. (see ARX Inc.) 38
Hydraulics Inc. (see Echlin Inc.) 129
Hydro Carbide (see Fansteel Inc.) 150
Hydromatic Pumps (see General Signal Corporation) 175
Hydroscience, Inc. (see Whitehall Corporation) 440
IBM Instruments, Inc. (see International Business Machines Corporation) 217
ICOT Corporation 206
ICW Limited (see Tech/Ops Sevcon, Inc.) 386
Ideal Security Hardware Corporation (see EAC Industries, Inc.) 125
Identitech Corporation (see Sensormatic Electronics Corporation) 350
IGX Corporation (ITEK Graphix) (see The General Electric Company, p.l.c.) 169
Iida TDK Co., Ltd. (see TDK Corporation) 383
Illinois Tool Works Inc. 207
Illitron (see Illinois Tool Works Inc.) 207
Imo Industries Inc. 208
Imprimis Technology Incorporated (see Seagate Technology) 348
Induselet, S.A. (see Westinghouse Electric Corporation) 437
Industrial Acoustics Company 209
Industrial Simulation Corporation (see Bi-Coastal Corporation) 57
Industrigruppen JAS AB (see Ericsson) 144
Information International, Inc. 210
Information Magnetics Corporation (see Sunward Technologies, Inc.) 377
Information Systems Division (see Sequa Corporation) 351
Ingalls Shipbuilding (see Litton Industries, Inc.) 243
Inglis Limited (see Whirlpool Corporation) 439
InHome Limited (see Thomas French & Sons PLC) 401
Innovative Electronics, Inc. (see Dynatech Corporation) 124
Insilco Corporation 211
Instron Corporation 212
Instrument Systems Corporation 212
Integrated Automation, Inc. (see Litton Industries, Inc.) 245
Integrated Device Technology, Inc. 213
Integrated Telecom Corporation (see DSC Communications Corporation) 118
Intel Corporation 214
IntelliGenetics (see Amoco Corporation) 23
Intellistor, Inc. (see Fujitsu Limited) 161
INTELSAT Satellite Services (see Communications Satellite Corporation) 83
Interactive Systems Corp. (see Eastman Kodak Company) 127

PAGE

InterCad, Inc. (see Bishop Incorporated) 60
Interface Technology, Inc. (see Dynatech Corporation) 124
Intergraph Corporation 215
Intermec Corporation 216
International Business Machines Corporation 217
International Electronic Research Corporation (see Dynamics Corporation of America) 121
International Power Machines Corporation 218
International Rectifier Corporation 219
International Standard Electric Corporation ("ISEC")-Delaware (see ITT Corporation) 224
Interpoint Corporation 219
Interstate Electronics Corporation (see Figgie International Inc.) 153
Interstate Engineering (see Figgie International Inc.) 153
Interturbine Fansteel B.V. (see Fansteel Inc.) 150
Interventional Medical, Inc. (see Medtronic, Inc.) 265
Intra-Acoustics Company, Ltd. (see Industrial Acoustics Company) 209
Ionics, Incorporated 220
Irathane (see Illinois Tool Works Inc.) 207
Ircon, Inc. (see Square D Company) 367
Ircon Limited (see Square D Company) 367
Ircon Pyrometers, Inc. (see Square D Company) 367
Irlandus Circuits Limited (see Data-Design Laboratories) 103
IRT Corporation 221
Isomet Corporation 222
Isotronics, Inc. (see Augat Inc.) 43
Itek Encoder (see Litton Industries, Inc.) 243
Itek Optical Systems (see Litton Industries, Inc.) 243
Itel Corporation 223
ITT Corporation 223
ITW Deltar (see Illinois Tool Works Inc.) 207
IVAC Corporation (see Eli Lilly and Company) 140
Ivec Inc. (25.0% owned) (see Molex Incorporated) 277
Ivers-Lee (see Becton, Dickinson and Company) 54
Iwate Toshiba Electronics Co., Ltd. (see Toshiba Corporation) 407
Iwate Toyo Corporation (see Sony Corporation) 363
The J. M. Ney Company (see Andersen Group, Inc.) 28
J. S. Nolen & Associates (see Litton Industries, Inc.) 245
Jacobsen (see Textron Inc.) 396
Jalex Connector Systems Ltd. (40.0% owned) (see Molex Incorporated) 277
Jamestown Perforators Inc. (see Federal Signal Corporation) 151
Japan Air Filter Co., Ltd. (see Sumitomo Heavy Industries, Ltd.) 373
Japan Servo Co., Ltd. (see Hitachi, Ltd.) 202

INDEX

PAGE

Japan-ECD Company, Ltd. (see Energy Conversion Devices, Inc.) 143
Jay-El Products Inc. (see Ducommun Incorporated) 119
Jeep Eagle Corporation (see Chrysler Corporation) 73
Jet Avion Corporation (see HEICO Corporation) 194
Jet Research Center, Inc. (see Halliburton Company) 187
Jetronic Industries, Inc. 224
J.I. Holcomb (see Premier Industrial Corporation) 322
Jofra Instruments A.S. (see Ametek, Inc.) 23
John Chatillon & Sons, Inc. (see Technitrol, Inc.) 385
John Fluke Mfg. Co., Inc. 225
John Martensson Elmaterial AB (see Ericsson) 144
Johnson Controls, Inc. 226
Josiah Parkes & Sons Limited (see Racal Electronics Plc) 324
Joslyn Corporation 227
Joucomatic (see Emerson Electric Co.) 141
J.W. Miller Company (see Bell Industries, Inc.) 56
Kaiser Cement Corporation (see Hanson Plc) 189
Kaman Corporation 228
Kamatics Corporation (see Kaman Corporation) 228
Kaptron, Inc. (see AMP Incorporated/Pamcor, Inc.) 24
Kasco Corporation (see Bairnco Corporation) 49
Kayex (see General Signal Corporation) 175
KB-Denver, Inc. (see Square D Company) 367
Kearney & Trecker Corporation (see Cross & Trecker Corporation) 96
Keithley Instruments, Inc. 229
Keltron Corporation 230
Kelvin Diesels Ltd. (see The General Electric Company, p.l.c.) 169
Kent Electric Wire Ltd. (see The General Electric Company, p.l.c.) 170
Kent Industries (see Premier Industrial Corporation) 323
Kent Plastics, Ltd. (see Ball Corporation) 51
Kentrox Industries, Inc. (see ADC Telecommunications, Inc.) 6
Kenyon Magnetics, Inc. (see RMS International, Inc.) 335
Keratometrix, Inc. (see Optical Radiation Corporation) 303
The Kerite Company (see Hubbell, Incorporated) 204
Ketema, Inc. 231
Kevlin Microwave Corporation 232
Kiekhaefer Aeromarine, Inc. (see Brunswick Corporation) 65
Killark Electric Manufacturing Company (see Hubbell, Incorporated) 204
Kimball Industries, Inc. (see Mechanical Technology Incorporated) 263

PAGE

Kinney Vacuum Company (see General Signal Corporation) 175
Kinseki, Ltd. (see Oki Electric Industry Company, Limited) 301
Kiowa Corporation (see Emerson Electric Co.) 141
Kirkhof/Goodrich (see Mark IV Industries, Inc.) 256
Kisagata TDK Co., Ltd. (see TDK Corporation) 383
Kitashiba Electric Co., Ltd. (see Toshiba Corporation) 407
KitchenAid, Inc. (see Whirlpool Corporation) 439
KLA Instruments Corporation 232
Klark-Teknik PLC (see Mark IV Industries, Inc.) 256
Klock (see Wickes Companies, Inc.) 441
KMS Industries, Inc. 233
Knogo Corporation 234
The Kodensha Co., Ltd. (see Mitsubishi Electric Corporation) 275
Kofu TDK Co., Ltd. (see TDK Corporation) 383
Kollmorgen Corporation 234
Kollsman Division (see Sequa Corporation) 351
Kollsman Manufacturing Company (see Sequa Corporation) 351
Konoura TDK Co., Ltd. (see TDK Corporation) 383
Koss Corporation 235
KRUG International Corp. 236
Kulicke and Soffa Industries, Inc. 237
Kurzweil Computer Products, Inc. (see Xerox Corporation) 445
Kustom Electronics, Inc. 238
Kuwano Electrical Instruments Co., Ltd. (see Oki Electric Industry Company, Limited) 301
Kyocera Corporation 238
Kyushu Fujitsu Electronics Ltd. (see Fujitsu Limited) 161
Kyushu Matsushita Electric Co., Ltd. (see Matsushita Electric Industrial Co., Ltd.) 260
L & F Willenhall Limited (see Racal Electronics Plc) 324
The L. S. Starrett Company 370
La Compagnie Ideal Security, Inc. (see EAC Industries, Inc.) 125
La Jolla Technology, Inc. (see Medtronic, Inc.) 264
LaBarge, Inc. 240
Lamb Electric (see Ametek, Inc.) 22
Lamb Technicon Corp. (see Litton Industries, Inc.) 245
Lambda Physik (see Coherent, Inc.) 78
Lanier Business Systems (see Harris Corporation) 190
Lanier Voice Products (see Harris Corporation) 190
Larimart, S.p.A. (see Olivetti) 303
Larkin, Inc. (see Wickes Companies, Inc.) 442
LaRose Associates, Inc. (see Radio Frequency Company, Inc.) 326

INDEX

PAGE

Laser Applications Ltd. (see Coherent, Inc.) 78
Laser Communications, Inc. (49%-owned) (see Safeguard Scientifics, Inc.) 340
Laser Magnetic Storage International Company (51%-owned) (see Philips' Gloeilampenfabrieken) 313
Laser Magnetic Storage International (49% interest) (see Control Data Corporation) 89
Laser Printer Accessories Corporation (see Personal Computer Products, Inc.) 312
LEA Dynatech Inc. (see Dynatech Corporation) 124
Lear Astronics Corp. (see The General Electric Company, p.l.c.) 170
Leda Corporation (see Audiotronics Corporation) 42
Ledex Inc. (see Lucas Industries plc) 252
Leigh Instruments Ltd. (see The Plessey Company plc) 318
Leslie Hartridge Ltd. (see Lucas Industries plc) 252
Lewis Electronic Instrumentation (see Colt Industries Inc) 80
Lexicon Corporation 240
Lexington (see Fansteel Inc.) 150
LFE Industrial Systems Corporation (see Mark IV Industries, Inc.) 256
LFE Instruments (see Mark IV Industries, Inc.) 256
Liard S.A. (see Colt Industries Inc) 80
Librascope Corporation (see Bi-Coastal Corporation) 57
Liebert Corporation (see Emerson Electric Co.) 141
Life Fitness, Inc. (see Bally Manufacturing Corporation) 51
Lift Parts Mfg. Co. (see Echlin Inc.) 129
Light Control Systems, Inc. (see M/A-COM, Inc.) 253
Lightning Location & Protection, Inc. (see Dynatech Corporation) 124
Lightwell Co., Ltd. (see Sumitomo Heavy Industries, Ltd.) 373
Lika Corporation (see Tandy Corporation) 382
LIN-ACT (see Figgie International Inc.) 154
Lincoln Controls (see Avnet, Inc.) 47
Lindberg (see General Signal Corporation) 175
Ling Electronics, Inc. (see Mechanical Technology Incorporated) 263
Link-Miles International Simulation Corporation (see Bi-Coastal Corporation) 57
Liquid Metronics Incorporated (see Milton Roy Company) 273
Litton Industries, Inc. 241
L.J. Ricardi, Inc. (see Electromagnetic Sciences, Inc.) 136
LK Tool Ltd. (see Cincinnati Milacron Inc.) 75
LLE (see Mark IV Industries, Inc.) 256
Lloyd Instruments Ltd. (see Technitrol, Inc.) 385

PAGE

Lloyd Manufacturing (see TransTechnology Corporation) 410
Lloyd's Electronics, Inc. (see Dynascan Corporation) 123
Lockheed Corporation 246
Locus, Inc. (see Kaman Corporation) 228
Loftus (see Thermo Electron Corporation) 398
Logan Co. (see Figgie International Inc.) 154
Logicon, Inc. 247
LogiMetrics, Inc. 248
Long Island Communications Corp. (see Data General Corporation) 104
Loose Leaf Metals Co. (see General Binding Corporation) 165
Loral Corporation 249
LorTec Power Systems, Inc. (see International Power Machines Corporation) 218
Los Angeles Die Casting (see Ametek, Inc.) 22
LPC, Inc. (see Pitney Bowes Inc.) 317
LPI Corporation (see HEICO Corporation) 194
LRS (see Litton Industries, Inc.) 245
LSI Logic Corporation 250
The LTV Corporation 251
Lucas Duralith Corporation (see Lucas Industries plc) 252
Lucas Industries plc 252
Lucas Machine (see Litton Industries, Inc.) 245
Lucas Methode Connectors Ltd. (see Methode Electronics, Inc.) 267
Luminator (see Mark IV Industries, Inc.) 256
Lumonics Inc. 253
Lumonics, Inc. (see Sumitomo Heavy Industries, Ltd.) 373
Lundy Computer Graphics (see TransTechnology Corporation) 410
Lundy Financial Systems (see TransTechnology Corporation) 410
Lundy Technical Center (see TransTechnology Corporation) 410
Lustreprint Incorporated (see Mark IV Industries, Inc.) 256
LXE Inc. (78% owned) (see Electromagnetic Sciences, Inc.) 136
Lytel Corporation (see AMP Incorporated/Pamcor, Inc.) 24
M/A-COM, Inc. 253
M/A-Com Omni Spectra, Inc. (see Relm Communications) 333
Mael, S.p.A. (see Olivetti) 303
Magna International, Inc. 254
Magnaflux Corporation (see Illinois Tool Works Inc.) 207

INDEX

PAGE

Magnavox Advanced Products and Systems Company (see North American Philips Corporation) 293
Magnavox CATV Systems, Inc. (see North American Philips Corporation) 294
Magnavox Electronic Systems Company (see North American Philips Corporation) 293
Magnavox Government and Industrial Electronics Company (see North American Philips Corporation) 293
Magnetic AB (see Ericsson) 144
Magnetic Data Europe, N.V. (see Applied Magnetics Corporation) 32
Magnetic Data France SARL (see Applied Magnetics Corporation) 32
Magnetic Data Germany GmbH (see Applied Magnetics Corporation) 32
Magnetic Data, Inc. (see Applied Magnetics Corporation) 32
Magnetic Data, Inc. (see Applied Magnetics Corporation) 32
Magnetic Data, Japan, Ltd. (see Applied Magnetics Corporation) 32
Magnetic Data (Singapore) Pte. Ltd. (see Applied Magnetics Corporation) 32
Magnetic Data (UK) Limited (see Applied Magnetics Corporation) 32
Magnetic Peripherals Inc. (90%-owned) (see Control Data Corporation) 89
Magnum (see Applied Power Inc.) 34
Major Video Co. (see Video Display Corporation) 426
Mal Tool & Engineering (see Wickes Companies, Inc.) 441
Manchester Tool Company (see Federal Signal Corporation) 151
Mangum Manufacturing Company (see The Allen Group, Inc.) 11
Manifattura Valle dell'Orco, S.p.A. (see Olivetti) 302
Mansfield & Green (see Ametek, Inc.) 22
Marathon Manufacturing Companies (see The Penn Central Corporation) 309
Marcon Electronics Co., Ltd. (see Toshiba Corporation) 407
Marconi Electronic Devices Ltd. (see The General Electric Company, p.l.c.) 169
Marconi Instruments Ltd. (see The General Electric Company, p.l.c.) 169
Maremont Exhaust Systems Division (see Arvin Industries, Inc.) 38
Marimi and Aminelli S.A. (see Westinghouse Electric Corporation) 437
Mark Antennas (see Radiation Systems, Inc.) 326

PAGE

Mark Controls Corporation 255
Mark Eyelet, Inc. (see AMP Incorporated/Pamcor, Inc.) 24
Mark Instruments Limited (see Teradyne, Inc.) 392
Mark IV Audio AG (see Mark IV Industries, Inc.) 256
Mark IV Audio, Inc. (see Mark IV Industries, Inc.) 256
Mark IV Industries, Inc. 256
Mark IV Instruments Limited (see Mark IV Industries, Inc.) 256
Mark IV Transportation Products Corp. (see Mark IV Industries, Inc.) 256
Marks Polarized Corporation (see Geotel, Inc.) 179
Mars Aircraft Service Company of New Jersey (see AAR Corp.) 1
Marshall Industries 257
Martin Marietta Corporation 258
MATEC Corporation 259
Material Service Corporation (see General Dynamics Corporation) 167
Materials Research Corporation (see Sony Corporation) 363
Matrix Science Corporation (see AMP Incorporated/Pamcor, Inc.) 24
Matsushita Electric Industrial Co., Ltd. 260
Matsushita-Ultra Tech. Battery Corporation (see Matsushita Electric Industrial Co., Ltd.) 260
Max Precision Products Corporation (see Sony Corporation) 363
Maxell America Inc. (see Hitachi, Ltd.) 202
McCord Winn Textron (see Textron Inc.) 396
McCrometer (see Ametek, Inc.) 22
McCrometer (see Ketema, Inc.) 231
McDonnell Douglas Corporation 261
McLean Engineering (see Zero Corporation) 448
MCM Electronics (see Premier Industrial Corporation) 322
McRae Industries, Inc. 261
MDM, Inc. (see Adams-Russell, Inc.) 5
Measurex Corporation 262
Mechanical Technology Incorporated 263
Mechanics Choice (see Avnet, Inc.) 47
Med Rel, ~~Inc.~~ (see Medtronic, Inc.) 264
Media Technology Corporation (see Storage Technology Corporation) 370
Medtronic, Inc. 264
Megadata Corporation 265
Mektron Circuits Systems, Ltd. (see Rogers Corporation) 338
Mektron, N.V. (see Rogers Corporation) 338
Melcom Business-Machines Co., Ltd. (see Mitsubishi Electric Corporation) 275
Mellansvenska Elektriska AB (see Ericsson) 144

INDEX

PAGE

Mellon Financial Services (see Scan-Optics, Inc.) 343
Memory Devices, Limited (see Analog Devices, Inc.) 26
Memtek Products (see Tandy Corporation) 382
Menasco Aerospace Ltd. (see Colt Industries Inc) 80
Menasco Aerosystems (see Colt Industries Inc) 80
Mentor Graphics Corporation 266
Mepco/zCentralab, Inc. (see North American Philips Corporation) 294
Metal Bellows Corporation (see Parker Hannifin Corporation) 308
Metallurgical, Inc. (see Thermo Electron Corporation) 398
Metatron, Ltd. (49% interest) (see Rospatch Corporation) 339
Methode Electronics, Inc. 267
Metier Inc. (see Lockheed Corporation) 246
MetPath Inc. (see Corning Incorporated) 93
Metrabyte Corporation (see Keithley Instruments, Inc.) 230
Metric Systems Corporation (see Tech-Sym Corporation) 387
MetriCor Inc. (50% owned) (see Corning Incorporated) 93
Metro Files Inc. (see Insilco Corporation) 211
Metro Tel Corp. 268
Mexia Fabricators, Inc. (see Radiation Systems, Inc.) 326
The Micanite & Insulators Company Ltd. (see The General Electric Company, p.l.c.) 169
Micro Motion, Inc. (see Emerson Electric Co.) 141
Micro Processor Systems, Inc. (see Dynatech Corporation) 124
Microbiology Systems (see Becton, Dickinson and Company) 54
Micro-CeramX Technology, Inc. (see Microsemi Corporation) 270
Micro-Controle, S.A. (see Newport Corporation) 290
Microdyne Corporation 268
Micro-El Patent Corporation (see General Microwave Corporation) 172
Microfoam (see Ametek, Inc.) 22
MicroOffice Systems Technology, Inc. (see Telxon Corporation) 390
Micropolis Corporation 269
Microsemi Corporation 270
Microstuf, Inc. (see Digital Communications Associates, Inc.) 115
Microtime, Inc. (see Andersen Group, Inc.) 28
Microwave Components Division (see Pico Products, Inc.) 314
Microwave Data Systems, Inc. (80%-owned) (see California Microwave, Inc.) 69

PAGE

Microwave Filter Company, Inc. 270
Mid-Continent Computer Services, Inc. (see ADAC Laboratories) 5
Midland Brake, Inc. (see Echlin Inc.) 129
Midway Manufacturing Company (see WMS Industries, Inc.) 443
Migray/Orange County, Inc. (see Milgray Electronics, Inc.) 271
Mikuni Industry Co., Ltd. (see Oki Electric Industry Company, Limited) 301
Milgray Electronics, Inc. 271
Miller-Holzwarth, Inc. (see Imo Industries Inc.) 208
Mills & Lupton Supply Company (see Hughes Supply, Inc.) 205
MiLo Technology, Inc. (83.94%-owned) (see Electronic Control Systems, Inc.) 137
Milroy Optical Co., Inc. (see Optical Radiation Corporation) 303
Milton Roy Company 272
Milton Roy Company (see Sundstrand Corporation) 376
Minnesota Mining and Manufacturing Company 273
Minwax Company, Inc. (see Eastman Kodak Company) 127
Mirror Telephony Software, Inc. (see Porta Systems Corp.) 320
Missouri Research Laboratories, Inc. 274
Mitsubishi Electric Corporation 275
Mitsubishi Space Software Co., Ltd. (see Mitsubishi Electric Corporation) 275
Mixing Equipment Company (see General Signal Corporation) 175
Miyagi Oki Electric Co., Ltd. (see Oki Electric Industry Company, Limited) 301
Miyazaki Oki Electric Co., Ltd. (see Oki Electric Industry Company, Limited) 301
Mobydata, Inc. (see Hamilton Digital Controls, Inc.) 188
Modern Controls, Inc. 276
Mohawk Data Sciences-Canada, Limited (MDS) (see Recognition Equipment Incorporated) 332
Mokon (see Mark IV Industries, Inc.) 256
Molex Incorporated 277
Monarch Marking Systems, Inc., U.S. (see Pitney Bowes Inc.) 317
Monolithic Memories, Inc. (see Advanced Micro Devices, Inc.) 6
Moog Inc. 278
Moore Products Co. 279
Moore Reed Ltd. (see Control Techniques plc) 90
Motomiya Denshi Corporation (see Sony Corporation) 363
Motorola, Inc. 280
MSI Electronics, Inc. 281

INDEX

PAGE

MTech Corp (see Electronic Data Systems Corporation) 138
MTI Systems Division (see Arrow Electronics, Inc.) 37
MTS Systems Corporation 282
Murdock Engineering Company (see Lockheed Corporation) 247
Mustang Pipeline Company (see Eastman Kodak Company) 127
Mustang Pipeline Company (see Eastman Kodak Company) 127
NAE, Inc. (see Diodes Incorporated) 117
Nagahama Canon Inc. (see Canon, Inc.) 70
Nagano Oki Electric Co., Ltd. (see Oki Electric Industry Company, Limited) 301
Nakayama Kikai Co., Ltd. (see Mitsubishi Electric Corporation) 275
NAPCO, Inc. (see Thermo Electron Corporation) 398
Napco Security Systems, Inc. 282
Napier Turbochargers Ltd. (see The General Electric Company, p.l.c.) 169
National Broadcasting Company (see General Electric Company) 168
National Computer Systems, Inc. 283
National Micronetics, Inc. 284
National Semiconductor Corporation 284
NBI, Inc. 285
NCI (see WEIGH-TRONIX, Inc.) 433
N-Cor Ltd. (50% owned) (see Corning Incorporated) 93
NCR Corporation 286
NEC Corporation 287
Nederlandse-Philips Bedrijven B.V. (see Philips' Gloeilampenfabrieken) 313
Nelco Products, Inc. (see Park Electrochemical Corp.) 307
Nelco Technology, Inc. (see Park Electrochemical Corp.) 307
Neo Products Company (see United Industrial Corporation) 417
Netas-Northern Electric Telekomunikasyon A.S. (31% owned) (see Northern Telecom Limited) 296
Network Systems Corporation 288
Networks Electronic Corp. 289
Nevada Western Supply Inc. (see Thomas & Betts Corporation) 401
New Britain Machine (see Litton Industries, Inc.) 245
New Brunswick Scientific Co., Inc. 289
New England Laminates Co., Inc. (see Park Electrochemical Corp.) 307
New England Technology Group, Inc. (see Dynatech Corporation) 124

PAGE

Newark Electronics (see Premier Industrial Corporation) 322
Newport Corporation 290
Newport Electronics, Inc. 291
Niagara Scientific, Inc. (see Microwave Filter Company, Inc.) 271
Nicolet Instrument Corporation 291
Nielsen Hardware Company (see Zero Corporation) 448
Nihon Semiconductor Inc. (see LSI Logic Corporation) 250
Niigata Oki Electric Co., Ltd. (see Oki Electric Industry Company, Limited) 301
Nikko Consulting and Engineering Co., Ltd. (see Nippon Mining Company, Limited) 292
Nikko Denki Seisakusho Co., Ltd. (see Oki Electric Industry Company, Limited) 301
Nikko Liquefied Gas Co., Ltd. (see Nippon Mining Company, Limited) 292
Nikko Oil Sales Co., Ltd. (see Nippon Mining Company, Limited) 292
Nikko Shoji Co., Ltd. (see Nippon Mining Company, Limited) 292
Nikko Zinc Co., Ltd. (see Nippon Mining Company, Limited) 292
Nippon Bio-Rad Laboratories K.K. (see Bio-Rad Laboratories, Inc.) 58
Nippon Mining Company, Limited 292
Nippon STC Kabushiki Kaisha (see Storage Technology Corporation) 371
Nippon Vishay Co., Ltd. (K.K.) (see Vishay Intertechnology, Inc.) 427
Nippon-Data General Corp. (85% owned) (see Data General Corporation) 104
Nishi-Nippon Sharp Equipment Aparatus Co., Ltd. (see Sharp Corporation) 353
Nishishiba Electric Co., Ltd. (see Toshiba Corporation) 407
Nitta-Apitron Co., Ltd. (50% owned) (see American Precision Industries Inc.) 19
Nixdorf Computer AG (78%-owned) (see Siemens AG) 356
NMI Corporation (see NEC Corporation) 287
Nord Elettronica, S.p.A (see Olivetti) 302
Nortlco, Inc. (see Oak Industries Inc.) 298
Norden Systems, Inc. (see United Technologies Corporation) 418
Norelem (see Applied Power Inc.) 34
Norelem S.A. (see Applied Power Inc.) 33
North American Philips Corporation 293
North American Philips Corporation (see Philips' Gloeilampenfabrieken) 313
North Atlantic Industries, Inc. 294

INDEX

PAGE

North Hills Electronics, Inc. 295
North Hills Electronics, Inc. (see Porta Systems Corp.) 320
North Supply Company (see United Telecommunications, Inc.) 419
Northern Telecom Limited 296
Northfield Pharmaceuticals Limited (see Eastman Kodak Company) 127
Northrop Corporation 297
Northwest Industries Limited (see CAE Industries Ltd.) 67
Nortronics Company, Inc. (see Applied Magnetics Corporation) 31
Norwood Marking & Equipment Company (see Illinois Tool Works Inc.) 207
NRD (see Mark IV Industries, Inc.) 256
NT Meridian S.A. (see Northern Telecom Limited) 296
NUS Corporation (see Halliburton Company) 187
Oak Frequency Control Group (see Oak Industries Inc.) 298
Oak Industries Inc. 298
OB Transit Products Inc. (80% owned) (see Lucas Industries plc) 252
Oculab, Inc. (see Bio-Rad Laboratories, Inc.) 58
Odetics, Inc. 299
OEA Glass Seal Division (see OEA, Inc.) 299
OEA, Inc. 299
OEA Inflatable Systems Division (see OEA, Inc.) 299
OEA Pyronetics Division (see OEA, Inc.) 299
OF Engineering Co., Ltd. (see Oki Electric Industry Company, Limited) 301
Ogilvie Products, Inc. (see Eastman Kodak Company) 127
The Ohio Brass Company (see Hubbell, Incorporated) 204
The Ohmart Corporation 300
Oil Dynamics, Inc. (50%-owned) (see Franklin Electric Co., Inc.) 159
Oita Canon, Inc. (see Canon, Inc.) 70
Oki Ceramic Industry Co., Ltd. (see Oki Electric Industry Company, Limited) 301
Oki Electric Industry Company, Limited 301
Oki Electronics (Hong Kong) Ltd. (see Oki Electric Industry Company, Limited) 301
Olivetti 302
Olteco-Olivetti Telecommunicazioni, S.p.A. (see Olivetti) 302
Omega Optical Co., Inc. (see Optical Radiation Corporation) 303
Omneco, Inc. (see Thiokol Corporation) 400
Omni Technology Corporation (see Microsemi Corporation) 270

PAGE

Omnipack Machinery Corp. (see Weldotron Corporation) 433
One Stop Supply, Inc. (see Hughes Supply, Inc.) 205
Onkyo Corporation (see Toshiba Corporation) 407
Optel Bar Code Systems, Inc. (see Photographic Sciences Corporation) 314
Optel Systems Inc. (see Photographic Sciences Corporation) 314
The Optical Corporation (see Quantronix Corporation) 323
Optical Fibres (50% owned) (see Corning Incorporated) 93
Optical Radiation Corporation 303
Optical Waveguides Australia Pty. Ltd. (50% owned) (see Corning Incorporated) 93
Optilink Corporation (see DSC Communications Corporation) 118
OptImage Interactive Services Company (50%-owned) (see Philips' Gloeilampenfabrieken) 313
Optronic Laboratories, Inc. (see Kollmorgen Corporation) 235
Optronics Inc. (see Intergraph Corporation) 215
Orbit Instrument Corporation 304
Orbitel Mobile Communications (Holdings) Ltd. (see The Plessey Company plc) 318
Orchard Electronics, Inc. (see SFE Technologies) 352
Orion Research Incorporated 305
Osram Gmbh (see Siemens AG) 356
Osram-GEC Ltd. (see Siemens AG) 356
OSRAM-GEC Ltd. (51% Ordinary) (see The General Electric Company, p.l.c.) 170
O'Sullivan Industries (see Tandy Corporation) 382
OTIC-Fischer & Porter (see Fischer & Porter Company) 155
Otis Engineering Corporation (see Halliburton Company) 187
Otis Group, Inc. (see United Technologies Corporation) 418
Ouchi TDK Co., Ltd. (see TDK Corporation) 383
Ouest Electronic Connecteurs (see Thomas & Betts Corporation) 401
Ovation Instruments, Inc. (see Kaman Corporation) 228
Ovonic Battery Company, Inc. (see Energy Conversion Devices, Inc.) 143
Ovonic Imaging Systems, Inc. (70%-owned) (see Energy Conversion Devices, Inc.) 143
Ovonic Synthetic Materials Company, Inc. (see Energy Conversion Devices, Inc.) 143
Ovonic ThermoElectric Company (see Energy Conversion Devices, Inc.) 143
O-Z/Gedney (see General Signal Corporation) 175
Pacer Industries, Inc. (see Echlin Inc.) 129

INDEX

PAGE

Pacific Airmotive Corporation (see UNC Incorporated) 415
Pacific Data Products, Inc. (see Digital Communications Associates, Inc.) 115
Pacific Instruments, Inc. (see Dynatech Corporation) 124
Pacific Scientific Company 305
Pacific Valves (see Mark Controls Corporation) 255
Packard Electric (see General Motors Corporation) 174
Paktron (see Illinois Tool Works Inc.) 207
Pan Am World Services, Inc. (see Johnson Controls, Inc.) 227
Panalarm (see Ametek, Inc.) 22
Panasonic Broadcast Systems Company (see Matsushita Electric Industrial Co., Ltd.) 260
Panasonic Company (see Matsushita Electric Industrial Co., Ltd.) 260
Panasonic Industrial Company (see Matsushita Electric Industrial Co., Ltd.) 260
Panelvision (see Litton Industries, Inc.) 245
PAR Technology Corporation 306
Paradise Systems, Incorporated (see Western Digital Corporation) 435
Paradyne Corporation (see American Telephone & Telegraph Company) 21
Parallax Graphics, Inc. (see Dynatech Corporation) 124
Park Electrochemical Corp. 306
Park Ridge Corporation (Hertz) (see Ford Motor Company) 157
Parker Hannifin Corporation 307
Parlex Corporation 309
Pasar, Inc. (see Core Industries Inc) 92
Pathway Design, Inc. (see ICOT Corporation) 206
Paxman Diesels Ltd. (see The General Electric Company, p.l.c.) 169
PCB Division (see Valid Logic Systems Incorporated) 422
PCO Inc. (25% owned) (see Corning Incorporated) 93
The Penn Central Corporation 309
Penril Corp. 310
Perinatal Services, Inc. (see Healthdyne, Inc.) 193
The Perkin-Elmer Corporation 311
Personal Computer Products, Inc. 312
Petrocokes Ltd. (see Nippon Mining Company, Limited) 293
Philips and Du Pont Optical Company (50%-owned) (see Philips' Gloeilampenfabrieken) 313
Philips Business Systems, Inc. (see North American Philips Corporation) 294
Philips Canada Ltd. (see Philips' Gloeilampenfabrieken) 313
Philips Consumer Electronics Company (see North American Philips Corporation) 293

PAGE

Philips Display Components Company, Inc. (see North American Philips Corporation) 294
Philips Electronic Instruments, Inc. (see North American Philips Corporation) 294
Philips' Gloeilampenfabrieken 313
Philips Laboratories (see North American Philips Corporation) 294
Philips Lighting Company (see North American Philips Corporation) 293
Philips Medical Systems North America (see North American Philips Corporation) 294
Philips Telecommunicatie en Data Systemen Nederland B.V. (see Philips' Gloeilampenfabrieken) 313
Photographic Sciences Corporation 314
Photronics Corp. (see Diagnostic/Retrieval Systems, Inc.) 113
Physio-Control Corporation (see Eli Lilly and Company) 140
Picker International Inc., USA (see The General Electric Company, p.l.c.) 169
Pico Products, Inc. 314
Piiceon, Inc. (see Dynatech Corporation) 124
Piiceon UK Ltd. (see Dynatech Corporation) 124
Pinto Pipeline Company of Texas (see Eastman Kodak Company) 127
Pinto Pipeline Company of Texas (see Eastman Kodak Company) 127
Pioneer Electronic Corporation 315
Pioneer-Standard Electronics, Inc. 316
Pitney Bowes Inc. 317
Pittsburgh Corning Corporation (50% owned) (see Corning Incorporated) 93
The Plessey Company plc 318
The Plessey Company plc (see Siemens AG) 356
Plessey Incorporated (see The Plessey Company plc) 318
Point of Sale Data Products, Inc. (see Sensormatic Electronics Corporation) 350
Polaroid Corporation 319
Polygram N.V. (90%-owned) (see Philips' Gloeilampenfabrieken) 313
Polygram Records, Inc. (see Philips' Gloeilampenfabrieken) 313
Poly-Scientific (see Litton Industries, Inc.) 245
Porcelain Products, Inc. (see Talley Industries, Inc.) 380
Porta Systems Corp. 320
Powell Industries, Inc. 321
Power General Corporation (see Unitrode Corporation) 420
Power Test Division, Inc. (see Analogic Corporation) 26
Powercube Corporation (see Unitrode Corporation) 420

INDEX

PAGE

Powerex, Inc. (see Mitsubishi Electric Corporation) 276
Power-Packer (see Applied Power Inc.) 33
Powers Process Controls (see Mark Controls Corporation) 255
Powertec/SCI (see Emerson Electric Co.) 141
Pratt & Whitney (see United Technologies Corporation) 418
Prattville Mfg., Inc. (see Echlin Inc.) 129
Precision Echo, Inc. (see Diagnostic/Retrieval Systems, Inc.) 113
Precision Monolithics, Inc. (see Analog Devices, Inc.) 26
Precision Optics, Inc. (see Optical Radiation Corporation) 303
Precision Photoglass, Inc. (see Drexler Technology Corporation) 118
Precision Positioning Devices - Bunting, Inc. 322
Precision Sheet Metal (see Fansteel Inc.) 150
Precision Technology, Inc. (see ARC International Corporation) 35
Premier Industrial Corporation 322
Premier Systems, Inc. (88%-owned) (see Safeguard Scientifics, Inc.) 340
Prism Systems Inc. (see Northern Telecom Limited) 296
Prodest International, S.p.A. (see Olivetti) 302
Progress Electronics Co., Inc. (see Astrex, Inc.) 39
ProQuip, Inc. (see Mechanical Technology Incorporated) 263
Protective Closures Co., Inc. (see Mark IV Industries, Inc.) 256
Proto-Power Corporation (see Kollmorgen Corporation) 235
Pulse Sciences, Inc. (see The Titan Corporation) 406
Pump & Lighting Company (see Hughes Supply, Inc.) 205
Pyrometer Supplies & Services (Midlands) Ltd. (see Control Techniques plc) 90
Pyrospace (45% interest) (see OEA, Inc.) 300
Quabbin (see Imo Industries Inc.) 208
Quadrum, S.A. de C.V. (see Itel Corporation) 223
Qualimetrics, Inc. (see Dynatech Corporation) 124
Qualitron (see Unitrode Corporation) 420
Quanta Corporation (see Dynatech Corporation) 124
Quantronix Corporation 323
Quartet Ovonics (see Energy Conversion Devices, Inc.) 143
Quasar Company (see Matsushita Electric Industrial Co., Ltd.) 260
Quelcor, Inc. (see Thomas & Betts Corporation) 401
Quincy Compressor (see Colt Industries Inc) 80
Quintus Computer Systems Inc. (see Intergraph Corporation) 215

PAGE

Q.V.F. Glastechnik GmbH (see Corning Incorporated) 93
R. D. Acquisition Corp. (see Eastman Kodak Company) 127
Rabbit Software Corporation (66%-owned) (see Safeguard Scientifics, Inc.) 340
Racal Electronics Plc 324
Raco, Inc. (see Hubbell, Incorporated) 204
Radiant Energy Division (see Research, Incorporated) 334
Radiation Systems, Inc. 326
Radio Frequency Company, Inc. 326
Radio Relay Corp.-Delaware (see Graphic Scanning Corp.) 182
Radiocor, S.p.A. (see Olivetti) 302
Rae-Print Packaging, Inc. (see McRae Industries, Inc.) 262
Ragen Corporation 327
Raltech Logic, Inc. (see Napco Security Systems, Inc.) 282
Ram Products, Inc. (see Echlin Inc.) 129
Ramtek Corporation 328
Randall (see Textron Inc.) 396
Rank Xerox Limited (see Xerox Corporation) 445
Ransburg Corporation (see Illinois Tool Works Inc.) 207
Raster Technologies, Inc. (see Alliant Computer Systems Corporation) 13
Raven Industries, Inc. 328
Rawlings Sporting Goods (see Figgie International Inc.) 153
Raychem Corporation 329
Raycom Systems Inc. (42.4% owned) (see Corning Incorporated) 93
Raymond Engineering Inc. (see Kaman Corporation) 228
Raytheon Company 330
RCA Corporation (see General Electric Company) 168
Recognition Equipment Incorporated 332
Redco, Inc. (see Jetronic Industries, Inc.) 225
Redifacts Ltd. (see Gandalf Technologies Inc.) 162
Redring Electric Ltd. (see The General Electric Company, p.l.c.) 170
Reed Devices, Inc. (see Augat Inc.) 43
Reeves-Hoffman (see Dynamics Corporation of America) 121
Reflectone, Inc. 332
Relm Communications 333
Remington Arms Company, Inc. (see E.I. du Pont de Nemours & Company) 120
Resdel Industries 334
Research, Incorporated 334

INDEX

PAGE

Revere Ware Corporation (see Corning Incorporated) 93
Rexnord Aerospace Mechanisms (see Fairchild Industries, Inc.) 149
RFI Corporation (see Del Electronics Corp.) 110
RHG Electronics Laboratory, Inc. (see Adams-Russell, Inc.) 5
Ridge, Inc. (see IRT Corporation) 221
Ripley Company, Inc. 335
Ristance Corporation (see Echlin Inc.) 129
Rists Ltd. (see Lucas Industries plc) 252
RMS International, Inc. 335
Rockwell Hardness Testers, Ltd. (see ARC International Corporation) 35
Rockwell International Corporation 336
Rocky Mount Instruments Inc. (see Allen Organ Company) 12
Rodan (see Ametek, Inc.) 22
Rodan (see Ketema, Inc.) 231
Rodco Ltd. (60% Ordinary) (see The General Electric Company, p.l.c.) 170
Rogers Corporation 337
Rohr Industries, Inc. 339
Rolm Corporation (see International Business Machines Corporation) 217
Rolodex Corporation (see Insilco Corporation) 211
Roltra Morse (see Imo Industries Inc.) 208
Romac Metals, Inc. (see Insilco Corporation) 211
Rome Research Corporation (see PAR Technology Corporation) 306
Roper Corporation (see General Electric Company) 168
Rosan Products (see Fairchild Industries, Inc.) 149
Rosemount Inc. (see Emerson Electric Co.) 141
Rospatch Corporation 339
Rotanium Products (see Premier Industrial Corporation) 323
Rowe Industries, Inc. (see Talley Industries, Inc.) 380
Royston Laboratories (see Chase Corporation) 72
RR Electronics Ltd. (see Arrow Electronics, Inc.) 37
Ruston Gas Turbines, Ltd. (see The General Electric Company, p.l.c.) 169
Ryoden Elevator Construction Co., Ltd. (see Mitsubishi Electric Corporation) 275
Ryoden Engineering Co., Ltd. (see Mitsubishi Electric Corporation) 275
Ryoden Unyu Co., Ltd. (see Mitsubishi Electric Corporation) 275
Ryoreisha Co., Ltd. (see Mitsubishi Electric Corporation) 275
Ryowa Shoko Co., Ltd. (see Mitsubishi Electric Corporation) 275

PAGE

SAFE Power Systems, Inc. (see Acme Electric Corporation) 4
Safeguard Scientifics, Inc. 340
Safway Steel Products (see Figgie International Inc.) 154
Sage Laboratories, Inc. 341
Saint-Amand Manufacturing Company Inc. (see Corning Incorporated) 93
Sakata TDK Co., Ltd. (see TDK Corporation) 383
Saki Magnetics, Inc. (see TDK Corporation) 383
Salford Electrical Instruments Ltd. (see The General Electric Company, p.l.c.) 169
Samsung Corning Co., Ltd. (see The Samsung Group) 342
The Samsung Group 342
Samsung-Corning Company Ltd. (50% owned) (see Corning Incorporated) 93
Sanbar Telecommunications, Inc. (see Resdel Industries) 334
Sanchez Computer Associates (39%-owned) (see Safeguard Scientifics, Inc.) 340
Sanders Associates, Inc. (see Lockheed Corporation) 247
Sano Inc. (see Cincinnati Milacron Inc.) 75
Satchwell Control Systems Ltd. (see The General Electric Company, p.l.c.) 169
SatCom Technologies (see Radiation Systems, Inc.) 326
Satellite Transmission Systems, Inc. (see California Microwave, Inc.) 69
Satellite Transmission Systems, Inc. (see California Microwave, Inc.) 69
Scanbe/Electronic Solutions (see Zero Corporation) 448
Scan-Optics, Inc. 343
Schaevitz Engineering Inc. (see Lucas Industries plc) 252
Schlumberger Limited 344
Schrader Automotive Inc. (see Arvin Industries, Inc.) 38
Schrader Bellows Inc. (see Parker Hannifin Corporation) 308
Schutte & Koerting (see Ketema, Inc.) 231
Schutte & Koerting (see Ametek, Inc.) 22
SCI Systems, Inc. 345
Scientific Calculations, Inc. (see Harris Corporation) 190
Scientific Columbus, Inc. (see Esterline Corporation) 146
Scientific Games, Inc. (see Bally Manufacturing Corporation) 51
Scientific Industries, Inc. 347
Scientific-Atlanta, Inc. 346
Scintrex Limited 347
SCOPE Incorporated (see Lexicon Corporation) 240
Scott Aviation (see Figgie International Inc.) 153
Screwcorp (see Fairchild Industries, Inc.) 149
Scriptomatic Inc., USA (see The General Electric Company, p.l.c.) 169

INDEX

PAGE
The SDI Divestiture Corp. (see Eastman Kodak Company) 127
Seagate Technology 348
Sealtron, Inc. (see HCC Industries) 192
Sedco Forex (see Schlumberger Limited) 344
Seismic Engineering Company (see Whitehall Corporation) 440
Seismograph Service Corporation (see Raytheon Company) 330
Selin Societa per l'Elettronica Industriale e Navale, S.p.A. (see Olivetti) 302
Semcon Electronics Pvt. Ltd. (see Microsemi Corporation) 270
Semicon, Inc. 349
Semiconductors Westinghouse, Inc. (see Westinghouse Electric Corporation) 437
Semtech Corporation 349
Sensor Engineering Company (see Echlin Inc.) 129
Sensor Labs, Inc. (see Ametek, Inc.) 22
Sensormatic Electronics Corporation 350
Sensors, Inc. (see Dynatech Corporation) 124
Sequa Corporation 351
Sertech Laboratories, Inc./SSI (see Microsemi Corporation) 270
Serv-Air, Inc. (see E-Systems, Inc.) 147
Servicios Industriales Westinghouse (see Westinghouse Electric Corporation) 437
Servonic (see Mark IV Industries, Inc.) 256
Sevcon, Inc. (see Tech/Ops Sevcon, Inc.) 386
SFE Technologies 352
SFT, Inc. (see HEI Inc.) 194
Sharp Corporation 353
Sheldahl, Inc. 354
Sheller-Globe Corporation (see United Technologies Corporation) 418
Shielding Systems Corporation (see Bairnco Corporation) 49
Shin Nippon Machine Mfg., Ltd. (see Sumitomo Heavy Industries, Ltd.) 372
Shinano Fujitsu Ltd. (see Fujitsu Limited) 161
Shinko Electric Industries Co., Ltd. (see Fujitsu Limited) 161
Shizuoka Oki Electric Co., Ltd. (see Oki Electric Industry Company, Limited) 301
SI Handling Systems, Inc. 355
Siecor Corporation (see Siemens AG) 356
Siecor Corporation (50% owned) (see Corning Incorporated) 93
Siecor GmbH (50% owned) (see Corning Incorporated) 93
Siemens AG 355
Siemens Controls Ltd. (see Siemens AG) 356

PAGE
Siemens Nixdorf Informationssysteme AG 356
Siemens Plessey Electronic Systems Ltd. (see Siemens AG) 356
Sierra Geophysics, Inc. (see Halliburton Company) 187
Sierra Supply Company (see Echlin Inc.) 129
Sierracin Corporation 357
Signal Transformer Co., Inc. (see Insilco Corporation) 211
Signode Industries Inc. (see Illinois Tool Works Inc.) 207
Sikorsky Aircraft (see United Technologies Corporation) 418
Silicon General, Inc. 358
Siliconix Incorporated 358
Simplex Wire and Cable Company (see Tyco Laboratories, Inc.) 414
Sippican Inc. (see The Plessey Company plc) 318
Skunk Works, Inc. (see Park Electrochemical Corp.) 307
SL Industries, Inc. 359
Smartflex Systems (see Rogers Corporation) 338
SmithKline Beecham plc 360
Smorgon Cubic Pty. Ltd. (see Cubic Corporation) 97
Snap-on Tools Corporation 361
Snorkel-Economy (see Figgie International Inc.) 153
Societa Generale Elastomeri-S.G.E., S.p.A (see Olivetti) 302
Software Sistemi, S.p.A. (see Olivetti) 302
Soimi (see ABB Asea Brown Boveri Ltd) 2
Sola Electric (see General Signal Corporation) 175
Solarex Corporation (see Amoco Corporation) 23
Solid Controls, Inc. 362
SOMA Europe Transmissions S.A. (see Rockwell International Corporation) 337
Sony Corporation 362
Sony Digital Products Inc. (see Sony Corporation) 363
Sony Procurement Service Corporation (see Sony Corporation) 363
Sony Shoji Corporation (see Sony Corporation) 363
Sony/Tektronix Corporation (joint-venture) (see Tektronix, Inc.) 388
Sorensen Company (see Raytheon Company) 331
South Western Marine Factors Limited (see KRUG International Corp.) 236
Southwest Mobile Systems Corp. (see Emerson Electric Co.) 141
Southwest Vacuum Devices (see Video Display Corporation) 426
Sovcor, S.A. (see Vishay Intertechnology, Inc.) 427
Sovonics Solar Systems, Inc. (see Energy Conversion Devices, Inc.) 143
S-P Manufacturing (see Figgie International Inc.) 154
Sparton Corporation 364

INDEX

PAGE

Sparton Engineered Products-Lake Odessa Group (see Sparton Corporation) 364
Spaulding Instruments Inc. (see Parker Hannifin Corporation) 308
SPC Electronics Corporation (see Mitsubishi Electric Corporation) 275
Spectron Development Laboratories, Inc. (see The Titan Corporation) 406
Spectrum Communications & Electronics Corp. (see Graphic Scanning Corp.) 182
Spectrum Control, Inc. 365
Spectrum Technology, Inc. (see Datum Inc.) 108
Speidel (see Textron Inc.) 396
Spire Corporation 366
Spiroid (see Illinois Tool Works Inc.) 207
Spoerle Electronic Handelsgesellschaft mbH & Co. (see Arrow Electronics, Inc.) 37
Sports-Tech International, Inc. (57.7% owned) (see Lexicon Corporation) 240
Square D Company 366
Stamford Tool & Die-Customatic, Inc. (see Cognitronics Corporation) 77
Standard Logic, Inc. 368
Standard Microsystems Corporation 368
Standard-Waygood, Ltd. (see Westinghouse Electric Corporation) 437
Standex International Corporation 369
Standun Canforming Systems (see Sequa Corporation) 351
Stanley Electronics, Inc. (see Del Electronics Corp.) 110
Steel Parts Corporation (see Insilco Corporation) 211
Stemco Truck Products (see Colt Industries Inc) 80
Sterling Drug Inc. (see Eastman Kodak Company) 127
Sterling Instrument Division (see Designatronics Incorporated) 110
Sterling Pharmaceuticals Inc. (see Eastman Kodak Company) 127
Sterling Products International Inc. (see Eastman Kodak Company) 127
Stewart Stamping Corporation (see Insilco Corporation) 211
Stick-Screw Manufacturing Co. (see Ripley Company, Inc.) 335
Stock Equipment Company (see General Signal Corporation) 175
Storage Technology Corporation 370
Stratoflex, Inc. (see Parker Hannifin Corporation) 308
Stratus Computer, Inc. 371
Straza (see Ametek, Inc.) 22
Stromberg-Carlson Corporation (see The Plessey Company plc) 318

PAGE

Styra Semiconductor Corporation (see Atari Corporation) 41
Sullair Corporation (see Sundstrand Corporation) 376
Suminstro Iberico de Conexiones S.A. (25.0% owned) (see Molex Incorporated) 277
Sumitomo Heavy Industries, Ltd. 372
Sun Electric Corporation 373
Sun Microsystems, Inc. 374
Sunair Electronics, Inc. 375
Sunbank Electronics, Inc. (see Joslyn Corporation) 228
Sunbeam-Oster Company, Inc. 375
Sundstrand Corporation 376
Sunward Technologies, Inc. 377
SuperCads, Inc. (see Automatix Incorporated) 44
Supertek Computers, Inc. (see Cray Research, Inc.) 95
Supertex, Inc. 378
Supreme Electronics Corp. (see The Hickok Electrical Instrument Company) 199
Surface Mounted Technology Corporation (see Microsemi Corporation) 270
Surgilase, Inc. (48%-owned) (see Safeguard Scientifics, Inc.) 340
Survival Technology, Inc. 378
Sussex Instruments Ltd. (see Control Techniques plc) 90
Svenska Elgrossist AB SELGA (see Ericsson) 144
SWECO, Inc. (see Emerson Electric Co.) 141
Switchcraft, Inc. (see Raytheon Company) 331
The Sydney Ross Co. (see Eastman Kodak Company) 127
Symatec (see Magna International, Inc.) 254
Syntron Europe Limited (see Tech-Sym Corporation) 387
Syntron, Inc. (see Tech-Sym Corporation) 387
Systemix (see Xerox Corporation) 445
Systron Donner Corp. (see THORN EMI plc) 402
T&B/Ansley Corporation (see Thomas & Betts Corporation) 401
Tab Products Co. 379
Tachonics Corporation (see Grumman Corporation) 183
Tada Electric Co., Ltd. (see Mitsubishi Electric Corporation) 275
TAG Semiconductos Ltd. (see Raytheon Company) 331
Taiko Electic Works, Ltd. (see Oki Electric Industry Company, Limited) 301
Taito Corporation (see Kyocera Corporation) 239
Talley Industries, Inc. 380
Talon Technology Corporation (see Computer Automation, Inc.) 84
Tandem Computers Incorporated 381
Tandy Corporation 382

INDEX

PAGE

Tangent Systems Corp. (82% interest) (see Intergraph Corporation) 215
Tangram Systems Corporation (92%-owned) (see Safeguard Scientifics, Inc.) 340
Taron Corporation (see Sony Corporation) 363
Tau-tron (see General Signal Corporation) 175
Taylor Publishing Company (see Insilco Corporation) 211
T-CAS, Inc. (see ARX Inc.) 39
TDK Corporation 383
Technical Communications Corporation 384
Technical Components Company, Inc. (see Methode Electronics, Inc.) 267
The Technical Materiel Corporation 385
Technipower Division (see Penril Corp.) 310
Technisch Handelskantoor Lloyd, B.V. (see AAR Corp.) 1
Technitrol, Inc. 385
TECHNO Corporation (see Pioneer Electronic Corporation) 315
Technodrives Ltd. (see Control Techniques plc) 90
Technology/Scientific Services, Inc. (see KRUG International Corp.) 236
Technor (pty.) Ltd. (87.0% owned) (see Molex Incorporated) 277
Tech/Ops Sevcon, Inc. 386
Tech-Sym Corporation 387
Techtran Inc. (see Photographic Sciences Corporation) 314
Tecnosafe, S.p.A. (see Olivetti) 303
Tecnost, S.p.A. (see Olivetti) 303
Tecnotour, S.p.A. (see Olivetti) 303
Tecogen Inc. (78%-owned) (see Thermo Electron Corporation) 397
Tecom Industries, Inc. (see Tech-Sym Corporation) 387
Tecsinter, S.p.A. (see Olivetti) 302
Teddington Company Limited (see Corning Incorporated) 93
Teknecomp, S.p.A. (see Olivetti) 302
Tekonsha Engineering Company (see Echlin Inc.) 129
Tektronix, Inc. 388
Tek-wave, Inc. (see Frequency Electronics, Inc.) 160
TEL -Varian Ltd. (affiliate) (see Varian Associates, Inc.) 423
Tel-Car Corp. (see Graphic Scanning Corp.) 182
Telecommunications Techniques Corporation (see Dynatech Corporation) 124
Telecommunications Technology, Inc. (see General Signal Corporation) 175
Teledyne, Inc. 389
Telenex (see General Signal Corporation) 175

PAGE

Telephone Manufacturers of South Africa (Pty.) Ltd. (50% interest) (see The Plessey Company plc) 318
Telephonics Corporation (see Instrument Systems Corporation) 213
Teleprobe Systems, Inc. (31.5% owned) (see TII Industries, Inc.) 405
TELINQ Systems Incorporated (see ADC Telecommunications, Inc.) 6
Telxon Corporation 390
Telzon, Inc. (see Augat Inc.) 43
Tenney Engineering, Inc. 391
Teradyne, Inc. 392
Terminal Data Corporation 393
Tesma International Inc. (see Magna International, Inc.) 254
Tetra Tech Data Services Inc. (see Honeywell Inc.) 203
Texas Instruments Incorporated 393
Texscan Corporation 394
Textron Inc. 395
T.F. Cushing, Inc. (see Astrex, Inc.) 39
Thermal Components, Inc. (see Insilco Corporation) 211
Thermedics Inc. 397
Thermedics Inc. (65%-owned) (see Thermo Electron Corporation) 398
Thermo Cardiosystems Inc. (see Thermo Electron Corporation) 398
Thermo Electron Corporation 397
Thermo Environmental Corporation (85%-owned) (see Thermo Electron Corporation) 397
Thermo Instrument Systems Inc. (81%-owned) (see Thermo Electron Corporation) 397
Thermo Process Systems Inc. 399
Thermo Process Systems Inc. (89%-owned) (see Thermo Electron Corporation) 398
Therm-O-Disc (see Emerson Electric Co.) 141
Thermometer Corporation of America (see Figgie International Inc.) 153
Thermotool (see Applied Power Inc.) 34
Thermox Instruments (see Ametek, Inc.) 22
Thielex (see Illinois Tool Works Inc.) 207
Thiokol Corporation 399
Thomas & Betts Corporation 400
Thomas French & Sons PLC 401
Thompson & Formby Inc. (see Eastman Kodak Company) 127
THORN EMI plc 402
3Com Corporation 403
Threshold Inc. (see Dynatech Corporation) 124
TIE/Communications, Inc. 404
TII Industries, Inc. 405
Time Electronics/Electro Air (see Avnet, Inc.) 46

INDEX

	PAGE
Timeplex, Inc. (see Unisys Corporation)	416
The Titan Corporation	405
Todd Medical Inc. (see Medtronic, Inc.)	264
Tohkai Electronics Corporation (see Sony Corporation)	363
Toho Electronics Co., Ltd. (see Oki Electric Industry Company, Limited)	301
Tohoku Oki Electric Co., Ltd. (see Oki Electric Industry Company, Limited)	301
Tohoku Pioneer Electronic Corporation (see Pioneer Electronic Corporation)	315
Tokai Densetsu Ltd. (see Fujitsu Limited)	161
Tokyo Electric Co., Ltd. (see Toshiba Corporation)	407
Tokyo Microsystems Corporation (see Standard Microsystems Corporation)	368
Tomakomai Chemical Co., Ltd. (see Nippon Mining Company, Limited)	292
Tomioka Optical Co., Ltd. (see Kyocera Corporation)	239
Topaz, Inc. (see Square D Company)	367
Toranomon Tower Building Co., Ltd. (see Nippon Mining Company, Limited)	293
Torotel, Inc.	406
Toshiba Corporation	407
Toso TDK Co., Ltd. (see TDK Corporation)	383
Totalizator Engineering Limited (see Fujitsu Limited)	161
Townsend (see Textron Inc.)	396
Toyo Electric Co., Ltd. (see Mitsubishi Electric Corporation)	275
Toyoha Mines Co., Ltd. (see Nippon Mining Company, Limited)	292
TPC Wire & Cable (see Premier Industrial Corporation)	323
TPS Technolgies Inc. (see Thermo Process Systems Inc.)	399
Trace Instruments Co., Inc. (see Methode Electronics, Inc.)	267
TRAK Microwave Company Limited (see Tech-Sym Corporation)	387
TRAK Microwave Corporation (see Tech-Sym Corporation)	387
Transcat, Inc. (see Transmation, Inc.)	409
Transformadores Westinghouse, Inc. (see Westinghouse Electric Corporation)	437
Transicoil Inc. (see Eagle-Picher Industries, Inc.)	126
Transinstruments (see Imo Industries Inc.)	208
Trans-Lux Corporation	408
Transmation, Inc.	409
Trans-Tech, Inc. (see Alpha Industries, Inc.)	15
TransTechnology Corporation	410

	PAGE
TransTechnology (Europe) (see TransTechnology Corporation)	410
Triad Systems Corporation	411
Tridair Fasteners (see Fairchild Industries, Inc.)	149
TRIDEX Systems, Ltd. (see Triad Systems Corporation)	411
Trigon Inc. (see Dynatech Corporation)	124
Tri-Industries, Inc. (see UNC Incorporated)	415
Trion, Inc.	411
Tripos Associates, Inc. (see Evans & Sutherland Computer Corporation)	148
TriQuint Semiconductor, Inc. (see Tektronix, Inc.)	388
Triumph Adler Distribuzione Italia, S.p.A. (see Olivetti)	302
Triumph-Adler Royal Inc. (see Olivetti)	303
Trontech, Inc. (see Dynatech Corporation)	124
TRW Inc.	412
TSD Display Products, Inc. (see Megadata Corporation)	265
Tsuruoka TDK Co., Ltd. (see TDK Corporation)	383
TTC Germany (see Dynatech Corporation)	124
Tubos Electronicos Westinghouse, Inc. (see Westinghouse Electric Corporation)	438
Tulon, Inc. (see Esterline Corporation)	145
Turboflex (see Imo Industries Inc.)	208
Turbo-Mueller (see General Signal Corporation)	175
Turbonetics Energy, Inc. (see Mechanical Technology Incorporated)	263
Turret Equipment Corporation (see TIE/Communications, Inc.)	404
Tussy Cosmetics, Inc. (see Eastman Kodak Company)	127
Tyco Laboratories, Inc.	414
Tyree Industries, Ltd. (see Westinghouse Electric Corporation)	438
UCCEL Corporation (see Hathaway Corporation)	191
UDI Group Ltd. (see The General Electric Company, p.l.c.)	170
Ujo TDK Co., Ltd. (see TDK Corporation)	383
Ulti-Mate Inc. (85.0% owned) (see Molex Incorporated)	277
Ultra Technologies, Inc. (see Eastman Kodak Company)	127
Ultratech Stepper (see General Signal Corporation)	175
UltraVest Corp. (see AEL Industries, Inc.)	7
UMI Manufacturing Corp. (see Napco Security Systems, Inc.)	282
UNC Incorporated	415
Unex (see Dynatech Corporation)	124
Ungermann-Bass, Inc. (see Tandem Computers Incorporated)	381
Unibus, Inc. (see Powell Industries, Inc.)	321

INDEX

PAGE
Unified Communications Inc. (47% owned) (see Andrew Corporation) 29
Unilab Corporation (16.9% owned) (see Corning Incorporated) 93
Unisys Corporation 416
United Aircraft Products, Inc. (see Parker Hannifin Corporation) 308
United Brake Systems Inc. (see Echlin Inc.) 129
United Engineers & Constructors Inc. (see Raytheon Company) 331
United Industrial Corporation 417
United Technologies Corporation 417
United Telecommunications, Inc. 419
United Telecontrol Electronics, Inc. (see Mechanical Technology Incorporated) 263
Unitrode Corporation 420
Universal Antennas (see Radiation Systems, Inc.) 326
Universal Data Systems, Inc. (see Motorola, Inc.) 280
Universal Optical Industries, Ltd. (see Kyocera Corporation) 239
Universal Propulsion Company, Inc. (see Talley Industries, Inc.) 380
Universal Voltronics Corp. 421
Universal Voltronics Corp. (50.2% owned) (see Thermedics Inc.) 397
University Sound, Inc. (see Mark IV Industries, Inc.) 256
U.S. Elevator Corp. (see Cubic Corporation) 98
U.S. Gauge (see Ametek, Inc.) 22
U.S. Philips Corporation (see Philips' Gloeilampenfabrieken) 313
U.S. Precision Lens Inc. (see Corning Incorporated) 93
U.S. RingBinder Corp. (see General Binding Corporation) 165
U.S. Turbine Corporation (see Powell Industries, Inc.) 321
USECO (Winchester Electronics) (see Litton Industries, Inc.) 245
UTL Corporation 421
Vacco Industries (see Emerson Electric Co.) 141
VacTenn, Inc. (see Tenney Engineering, Inc.) 391
Vactite Ltd. (see The General Electric Company, p.l.c.) 170
Vacuum Interrupters Ltd. (see The General Electric Company, p.l.c.) 169
Valentec International Corporation (see Insilco Corporation) 211
Valid Logic Systems Incorporated 422
The Valley Line Company (see Sequa Corporation) 351
Valor Electronics (see GTI Corporation) 185
Valpey-Fisher Corporation (see MATEC Corporation) 259

PAGE
Van Hengel Instruments B.V. (see Thermo Electron Corporation) 398
Van Kampen Merritt, Inc. (see Xerox Corporation) 445
Vanco, Inc. (see Video Display Corporation) 426
Vapor (see Mark IV Industries, Inc.) 256
Vapor Canada, Inc. (see Mark IV Industries, Inc.) 256
Varian Associates, Inc. 423
Varian TVT Ltd. (see Varian Associates, Inc.) 423
Varo, Inc. (see Imo Industries Inc.) 209
VDC International (see Video Display Corporation) 426
VDC-Novatron Division (see Video Display Corporation) 426
VEAM (see Litton Industries, Inc.) 245
VEAM Elektro-Anchulusstechnik GmbH (see Litton Industries, Inc.) 245
Veeder-Root Company (see Danaher Corporation) 101
Vega (see Mark IV Industries, Inc.) 257
Vehicle Safety Systems Inc. (see TRW Inc.) 413
Vehma International Inc. (see Magna International, Inc.) 254
Venturian Corp. 424
Vermont Research Corporation 425
Versatec, Inc. (see Xerox Corporation) 445
Verticom Inc. (see Western Digital Corporation) 435
V.I. Corporation (see Dynatech Corporation) 124
Vibration Mountings & Controls, Inc. (see ARX Inc.) 39
Vickers Instruments (Canada), Inc. (see Bio-Rad Laboratories, Inc.) 58
Vickers Instruments, Inc. (see Bio-Rad Laboratories, Inc.) 58
Vicon Industries, Inc. 425
Victor Company of Japan, Ltd. (see Matsushita Electric Industrial Co., Ltd.) 260
Victor Microcomputer (see Tandy Corporation) 382
Victor Micronic (see Tandy Corporation) 382
Video Display Corporation 426
Video Seven Inc. (see LSI Logic Corporation) 250
Videojet Systems International Inc. (see The General Electric Company, p.l.c.) 169
Vishay Intertechnology, Inc. 427
Vision System Technologies (see Weldotron Corporation) 433
Vision-Ease Lens (see BMC Industries, Inc.) 60
Vitatron, N.V. (see Medtronic, Inc.) 264
Vitramon, Incorporated (see Thomas & Betts Corporation) 401
Vitri Corning GmbH & Co. KG (see Corning Incorporated) 93
Vitro Corporation (see The Penn Central Corporation) 309

INDEX

PAGE

Vitro Services Corporation (see The Penn Central Corporation) 309
Vitronics Corporation 428
Vitronics Europe Limited (see Vitronics Corporation) 428
Vlier Enerpac (see Applied Power Inc.) 33
Voi-Shan (see Fairchild Industries, Inc.) 149
Volstatic, Inc. (see Illinois Tool Works Inc.) 207
VTX Electronics Corp. (72%-owned) (see ARX Inc.) 39
W. & T. Avery Ltd. (see The General Electric Company, p.l.c.) 169
W.A. Whitney Corporation (see Esterline Corporation) 145
Walbar of Canada Inc. (see Colt Industries Inc) 80
Walbar Turine Components (see Colt Industries Inc) 80
Wang Laboratories, Inc. 428
Waring Products (see Dynamics Corporation of America) 121
The Warner and Swasey Company (see Cross & Trecker Corporation) 96
Warner Control Techniques (see Control Techniques plc) 90
Warren Pumps (see Imo Industries Inc.) 208
Washington Scientific Industries, Inc. 429
Waterbury Companies, Inc. (see Talley Industries, Inc.) 380
Waterman Hydraulics (see Parker Hannifin Corporation) 308
Waters Instruments, Inc. 430
Watkins-Johnson Company 431
Wavetek 432
WEIGH-TRONIX, Inc. 433
Weldotron Corporation 433
Wellman Dynamics (see Fansteel Inc.) 150
Wells-Gardner Electronics Corporation 434
Westchester Plastics (see Ametek, Inc.) 22
Western Digital Corporation 435
Western Forge (see Emerson Electric Co.) 141
Western Microwave Laboratories, Inc. 435
Westinghouse Cubic Limited (see Cubic Corporation) 98
Westinghouse Electric Corporation 436
Weyrad (Electronics) Limited (see Racal Electronics Plc) 324
Whirlpool Corporation 439
Whirlpool International B.V. (47%-owned) (see Philips' Gloeilampenfabrieken) 313
Whistler Corporation (see Dynatech Corporation) 124
White Technology, Inc. (see Bowmar Instrument Corporation) 64
Whitehall Corporation 440

PAGE

Whittaker Corporation 440
Whittaker Ordnance, Inc. (see Whittaker Corporation) 441
Wickes Companies, Inc. 441
Wiggins Connectors (see Imo Industries Inc.) 208
Wilmot Breeden Limited (see Rockwell International Corporation) 337
Wilson Instruments, Inc. (see ARC International Corporation) 35
Wiltek, Inc. 442
Winchester Electronics (see Litton Industries, Inc.) 245
Winthrop Products Inc. (see Eastman Kodak Company) 127
WM Power Products Inc. (see Mitsubishi Electric Corporation) 276
WMS Industries, Inc. 443
World-Wide Systems Corporation (see Scan-Optics, Inc.) 343
Wormald International Limited (see Tyco Laboratories, Inc.) 414
Wright Line (see Applied Power Inc.) 33
WSA Systems and Services, Inc. (see Data General Corporation) 104
W.W. Grainger, Inc. 182
Wyle Laboratories 444
Xenotech Laboratories, Inc. (see Medtronic, Inc.) 264
Xerox Corporation 444
XKD Corporation (see Dynatech Corporation) 124
XMR Inc. (see Amoco Corporation) 23
Xomox (see Emerson Electric Co.) 141
Xynetics (see General Signal Corporation) 175
Yamagata Fujitsu Limited (see Fujitsu Limited) 161
Yamako Electric Manufacture Co., Ltd. (see Oki Electric Industry Company, Limited) 301
Yarrow Shipbuilders Ltd. (see The General Electric Company, p.l.c.) 169
Yashica, Inc. (see Kyocera Corporation) 239
Yashima TDK Co., Ltd. (see TDK Corporation) 383
Yin Research Corporation (see Square D Company) 367
Yuri TDK Co., Ltd. (see TDK Corporation) 383
Yuza TDK Co., Ltd. (see TDK Corporation) 383
Yuzawa TDK Co., Ltd. (see TDK Corporation) 383
Zehntel, Inc. (see Teradyne, Inc.) 392
Zeltex Puerto Rico, Inc. (see Silicon General, Inc.) 358
Zenith Electronics Corporation 446
Zentec Corporation 447
Zephyr Weather Information Service, Inc. (see Alden Electronics, Inc.) 10
Zero Corporation 448
Zero-Halliburton (see Zero Corporation) 448
Zetronic S.p.A. (49.0% owned) (see Molex Incorporated) 277

INDEX

PAGE

Zin-Plas Corporation (see Park Electrochemical Corp.) 307
Zygo Corporation 449

Fairchild Books & Visuals
Fairchild Fashion & Merchandising Group
New York

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